

THE WEATHER — PARIS: Monday, cloudy, Temp. \rightarrow \rightarrow 2 (25-28). LONDON: Monday, cloudy, Temp. \rightarrow \rightarrow 2 (25-28). CHANNEL: North Sea: Monday, cloudy with occasional rain, Temp. 5-15 (45-51). PRESCOTT: Monday, partly cloudy, Temp. 5-8 (12-16). NEW YORK: Monday, partly cloudy, Temp. 10-12 (7-19). ADDITIONAL WEATHER DATA — PAGE 14

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Aides See Tax Boost By Reagan

Tobacco, Liquor Likely Targets

By Howell Raines
New York Times Service

WASHINGTON — President Reagan is expected to accept the consensus among his senior advisers that he must propose tax increases for the next two fiscal years, according to administration officials involved in the budget deliberations.

The officials cautioned, however, that Mr. Reagan had not approved the specific proposals by which administration officials have said that revenue could be increased \$15 billion to \$18 billion in

The Treasury secretary units with President Reagan's advisers in recommending a tax increase for 1983 and 1984. Page 3.

the 1983 fiscal year and \$30 billion to \$35 billion in 1984.

Larry Speakes, the deputy White House press secretary, said Saturday the president was reviewing the revenue proposals.

Mr. Reagan is known to be considering increases in the federal excise taxes on tobacco, alcohol and gasoline, as well as the closing of loopholes in existing tax laws. These, along with additional spending cuts, are intended to pull the deficit for 1983 and 1984 below the \$100 billion-plus level that the Office of Management and Budget has forecast in the absence of tax increases.

Mr. Reagan has vowed not to alter his plan to reduce income taxes by 25 percent over three years, which took effect with a 5 percent cut last October. But his advisers have argued that excise taxes, which are based on consumption, could be increased without damaging the stimulative effects of the income and business tax cuts in the production, or "supply-side," area of the economy.

Last-Ditch Try

Rep. Jack Kemp, a New York Republican, said Friday that he had been promised a White House meeting this week in which he would have an opportunity to try to persuade the president that tax increases of any kind would undermine the "supply-side" economics of Mr. Reagan's economic recovery program.

But Rep. Kemp conceded that the advisers seeking tax increases had gained the majority position in White House councils. "The president and I are the only supply-siders left," he said.

Rep. Kemp said that David A. Stockman, director of the Office of Management and Budget, had come up with high deficit projections to persuade Mr. Reagan that he had no choice but to approve the tax proposals.

Projected by the budget office set the 1983 deficit at \$152 billion and the 1984 deficit at \$162 billion in the absence of tax increases. Mr. Reagan is being told that with tax increases and further spending cuts he can hold the deficits to \$75 billion and \$55 billion in those years.

It is estimated that doubling the federal excise taxes on alcohol and tobacco will yield about \$5.2 billion a year in new revenue. Doubling the current federal gasoline tax of 4 cents a gallon would yield an additional \$2.5 billion.

No Windfall Tax

Treasury Secretary Donald T. Regan has said that Mr. Reagan is considering these excise increases as well as the closing of loopholes that the president called for in his Sept. 24 economic address.

Recent analysis showed that the closing of loopholes in existing tax laws would raise about \$5 billion in 1983 and \$9 billion in 1984.

Mr. Regan has said that the president has ruled out a windfall profits tax on natural gas as an administration proposal to make up the additional revenue, but the secretary did not rule out such a tax if Congress imposed it as a condition of decontrol, which the president favors.

Another proposal known to be under consideration by Mr. Reagan is a tax of \$3 a barrel on domestic and imported oil. This could raise \$8 billion in 1983 and \$13 billion in 1984.

On such proposals, a top White House official said, Mr. Regan's endorsement will be critical to the president's final decisions. These decisions have to be disclosed by Feb. 5 when the budget is scheduled to go to Congress. But Mr. Regan is expected to make his recommendations public in his State of the Union address Jan. 26.

Soviet-Afghan Aid Accord

ISLAMABAD, Pakistan — The Soviet Union will supply Afghanistan with 355,000 tons of petroleum products and 44,000 tons of sugar under an agreement signed by officials of the two countries Sunday in Kabul, Afghan radio reported.



The courtyard of an internment camp at Bialonka, near Warsaw, where militants and supporters of the Solidarity trade union reportedly are being held. The photo was taken through the barred window of a cell. The photo's date is unknown. *The Associated Press*

NATO's Forward Defense Strategy Questioned

Military Experts Fear a Soviet Infantry Thrust Could Lead to Encirclement

By Drew Middleton
New York Times Service

NEW YORK — For the first time in more than a decade, serious doubts are being expressed about the soundness of NATO's strategy in defense of Western Europe.

Forward defense is the essence of this strategy. This means that with sufficient warning of Soviet attack, all the allied troops in West Germany would move forward to the frontier areas.

An increasing number of professional soldiers in Europe believe this strategy is unwise. Until recently their misgivings have been muted, but several factors, among them the possibility that U.S. troops now in West Germany might be needed for operations

outside the NATO area, have forced re-examination of the basic strategy.

Planners in Washington and at NATO headquarters near Brussels say that with allied forces strung out along the frontier, Soviet troops, with a preponderance in tanks of 4-to-1 at the principal point of attack, could smash through thin allied defenses and roll up the flanks, surrounding the forward elements before reinforcements could reach the front.

These reinforcements, in the event of war, would be chiefly U.S. and British troops based in the United States and Britain. West Germany, the strongest Continental power in NATO's military command, would have "everything in the shop window," a NATO source said.

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A dispute on military strategy would probably further aggravate current differences. NATO unity, already damaged by reaction to U.S. plans to deploy intermediate-range missiles in Europe, might disappear if a debate over conventional strategy were added to existing arguments.

Last September, before anti-missile protests in Western Europe had reached their peak, Joseph Luns, NATO's secretary-general, told friends that he feared a revival of "Mansfieldism" in the United States. He was speaking of Mike Mansfield's proposal in the 1970s, when he was a senator from Montana, to reduce U.S. forces in West Germany if Bonn did not meet certain financial obligations, connected with the stationing of those forces.

Analysts with experience in Europe believe that the difference over military strategy is rooted in varying estimates of the Soviet threat in Europe. Aside from a few military leaders, intelligence specialists and experienced politicians, these analysts contend, West Europeans do not regard the Soviet Union as basically dangerous to their freedom.

The Arctic powers in NATO, with the exceptions of Britain and France, have refused to consider operations outside the alliance's boundaries to meet a perceived Soviet menace, although they are willing to consult if any clear threat arises. The French and British are prepared to send naval forces to threatened areas, but this would be done outside NATO.

At the same time, West Germany and NATO's other European members most nearly concerned, particularly the Netherlands, Belgium and Denmark, are hostile to re-examination of the forward defense strategy. But American analysts stress that these governments also oppose additional military spending that would increase the number of divisions available by at least 10. Such a reinforcement might make the present forward strategy slightly more credible.

(Continued on Page 2, Col. 1)



Drifting snow brought traffic to a halt Sunday on a highway between Salzburg and Munich. *The Associated Press*

Snowstorms Block Roads, Disrupt Flights Across Europe; 12 Dead in British Isles

From Agency Dispatches

LONDON — Snow, freezing rain and floods snarled communications across Europe over the weekend and weather forecasters predicted no let-up before Tuesday.

In England, searchers found the body of a 71-year-old woman in a river near the Derbyshire town of New Mills; she was the 12th person in the British Isles known to have died in the storm. It was feared a 27-year-old man missing since Friday was also dead.

By Sunday morning, the two-day snowfall had ceased in Britain but temperatures were below freezing. The temperature dipped to minus 19 Celsius (minus 2 Fahrenheit) in Shawbury, Shropshire.

The heaviest snowfall of the winter in Germany closed a 12-mile (19-kilometer) stretch of the autobahn from Munich to the Austrian border. Saturday. Police supplied stranded motorists with blankets, food and hot drinks.

At Roissy-Charles de Gaulle and Orly airports outside Paris, air controllers struggled to clear a backlog of flights affected by snow, ice and foggy conditions forced the cancellation of 19 flights at Mulhouse-Basel airport on the French-Swiss border.

Flooding in France

Snow and rain heightened fears of flooding on rivers in the Alps and in the central Auvergne and Nièvre regions of France. A rapid rise in the level of the Charente River in the southwest flooded the city of Angoulême. Flooding in Brittany killed thousands of head of livestock and inundated the town of Vire, while heavy snowfalls put ski resorts in the Pyrenees on alert.

The cold wave stretched into Asia Minor, where three persons froze to death in eastern Turkey and two drowned in floods in a western city, authorities said Sunday. Several western Turkish provinces were hit by rain that sent rivers flowing over their banks and damaged crops.

In the United States, the death toll rose to 30 as

rescuers in the Love Creek area of Santa Cruz County found more bodies Saturday buried in last week's mudslides.

Arctic cold gripped much of the Midwest. In Sault Ste. Marie, Mich., the coldest place in the United States on Sunday, the temperature fell to minus 38 Celsius, while Milwaukee recorded a temperature of minus 31 Celsius, tying the record set in 1875.

The temperature dropped to minus 32 Celsius in Chicago, a record for the city. Up to 50,000 persons in the city were left without electricity as wires became brittle and snapped in the cold. "This is a real emergency," declared Mayor Jane Byrne.

The cold was expected to push deep into Florida during the night, with a hard freeze forecast for two-thirds of the state.

Heavy snowfalls were reported in Maryland, Virginia and New York.

Lunar Eclipse Obscured

In Britain, snow-clearing crews succeeded in reopening London's Gatwick Airport on Saturday following an all-day shutdown. Officials managed to keep one runway open all day at Heathrow.

The snow also frustrated astronomers across most of Europe who were unable to view Saturday's lunar eclipse.

In Scotland, temperatures dropped to minus 15 Celsius. Conditions in Britain were worst in Wales where police said dozens of villages were cut off and nearly every major road impassable because of snowdrifts up to 20 feet (6 meters) deep.

Meteorological experts said a high-pressure weather system that normally protects Britain from severe winter weather had failed to materialize, preventing warm weather fronts coming in from the Gulf Stream.

But when warmer weather does come, Britain will have to face the renewed threat of floods. Melting snow from the storms at Christmas inundated towns and riverside communities until it froze again last week.

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Prague's Unspoken Fear: Polish Political Fallout

By Henry Kamm
New York Times Service

PRAGUE — The crisis in neighboring Poland is causing nervousness in Czechoslovakia. The reasons are largely economic, but the Communist leadership here also appears to be concerned about possible political consequences.

The economic concerns were openly talked about in a series of interviews with government and party officials as well as with journalists working for the official press.

Almost Identical Terms

But there were only allusions to the political concerns. Officials in the regime of Gustav Husak, the president and Communist leader, became agitated when they spoke of the activities of the independent labor movement in Poland and the public support that it enjoyed.

Political nervousness was also suggested by the hesitation of officials interviewed to raise the Polish

Officials Admit Economic Concerns, Only Hint at Others

issue, and, when asked about it, by the vehemence with which they condemned Solidarity and endorsed the military regime's crackdown.

Indicative of a carefully constructed line that appears to have been put out to "responsible" officials is the man interviewed emphasized in almost identical terms the "counterrevolutionary" and "anti-Socialist" character of Solidarity.

They accused NATO of supporting the union with the aim of paralyzing a vital member of the Warsaw Pact. And they said that the Czechoslovak people, hardened by their own "counterrevolutionary" experience in 1968, were united in rejecting Solidarity.

At the same time, members of Czechoslovakia's dissident community have been warned by the policemen watching them not to

circulate any comments on the Polish situation.

The effect of Polish events on Czechoslovakia's sluggish economy is twofold, according to the officials.

Because of the close link between the two countries, the failures in deliveries of Polish coal, copper, sulfur and other raw materials have caused serious delays in production in many Czechoslovak plants. At the same time, the worldwide recession, rising import prices and domestic shortages have virtually halted the outlook for growth in Czechoslovakia's gross national product.

Furthermore, the vast needs of the Polish population after a year and a half of declining production and imports of food and other consumer goods are causing a further, apparently significant, drain on Czechoslovakia's economy.

He added that Moscow would make up the shortfall by increasing

supplies toward the end of the five-year plan that runs from 1982 to 1986.

Diplomats specializing in Eastern European affairs suspect that while the Soviet Union might cite the Polish crisis as the principal reason for reducing energy and raw material shipments to its allies, Moscow is more likely to be motivated by its own hard-currency needs.

The diplomats say the Soviet Union overestimated deposits in its Siberian oil fields, and would prefer to sell whatever petroleum is available on the world market for convertible currency.

Cut in Oil Shipments

Zdenek Horacek, acting editor in chief of the Czechoslovak party daily *Rude Pravo* and alternate member of the party's Central Committee, said that because of Poland's needs, the Soviet Union was reducing exports of crude oil to Czechoslovakia by a million tons this year.

He added that Moscow would

make up the shortfall by increasing

Anger at Press Reports

Officials here concede that Czechoslovakia is having economic difficulties, but they bristle at Western press reports of a "crisis."

The economic problems have led to a delay in publication of last year's economic plan and the five-year plan that has just gone into operation.

The 1981 grain harvest, affected by bad weather, fell 1.6 million tons short of the planned total of 11 million tons. Officials indicated that for the first time since the 1950s the regime is preparing to announce an increase in meat prices, a politically difficult step.

Frantisek Kouril, the government spokesman, said in an interview that meat was grossly underpriced. He stopped short of saying that prices would soon be increased, but he implied that they would eventually rise.

Charter 77 Statement

LCNDON (AP) — In its first statement since the military crackdown in Poland, Charter 77, the Czechoslovak human rights movement, said Warsaw's declaration of martial law and suspension of the Solidarity trade union represented a "terrifying menace for the future."

In a statement issued Friday by three members and telephoned to Palach Press, a Czechoslovak dissident news agency in London, the group said the military takeover would merely "exacerbate social and international tensions."

Invalid Declarations

Two days ago, in a sermon in St. John's Cathedral in Warsaw, the primate denounced the government's demand that people sign loyalty oaths and renounce their Solidarity membership and said that such declarations, given under duress, were invalid.

In that sermon the primate also criticized the conditions of the more than 5,000 inmates and implied that the church knew of more deaths under martial law than the eight then acknowledged by the government. On Friday, a Warsaw radio broadcast monitored in Washington put the death toll at 17, eight at the Wujek coal mine in Silesia and nine in Gdansk.

At a Saturday news conference

Jerzy Urban, the government spokesman, said that the total number of people imprisoned under martial law was 5,937, of whom 918 had been released. He said that 916 other persons had been arrested on charges of violating martial law provisions and that of those, 276 had been sentenced. Seventeen were judged not guilty.

Referring to the detained Solidarity leaders, Mr. Urban said those who had no charges pending against them would be released when martial law was lifted.

But the authorities still appear uncertain about what to do about Solidarity. They have given themselves until Jan. 20 to work out a clearer policy before Gen. Jaruzelski addresses the Sejm (parliament) on the state of the country.

Government officials say the Sejm will approve a martial law decree by the Council of State, a move that would ensure continued suspension of union and civil rights even if the army returns to the barracks.

The authorities have announced a minor easing of martial law re-



PAPAL BLESSING — A woman walks past a poster display of Pope John Paul II on a street in Krakow, Poland. The photo was taken in late December by an American student.

Church Said to Fail in Bid to Ease Rule

(Continued from Page 1)

human being to break his conscience. It was the second time in less than a week that he had assaulted Poland's martial law authorities for suppression of human rights.

Speaking in the Church of Saint Augustine in central Warsaw, Archbishop Glemp said that his church was doing everything possible to help detained Solidarity activists and their families, including holding talks with the government.

"We make interventions, we appeal to the authorities, we send them letters. We're trying to visit all of the camps to give the detainees some hope and relief, even the smallest," he said.

British Reporter Tried by Poles for Visa Irregularity

The Associated Press

LONDON — Greg Miskiw, 32, a reporter for the Sunday Mirror, was arrested in Poland on Dec. 18 and put on trial last Wednesday under the country's martial law regulations for "visa irregularities," his newspaper said.

His trial before a Warsaw court is to continue on Tuesday. A Foreign Office spokesman confirmed that Mr. Miskiw's arrest and that of the British Embassy in Warsaw was represented at the hearing. "He is fit and well but naturally concerned," the spokesman added.

News of his arrest had been kept secret in the hope that his release might be secured without publicity. As he is now on trial, the paper said on Saturday, this no longer applies.

Robert Edwards, the Sunday Mirror editor, said the paper hoped the Polish authorities "will recognize that he is simply a professional journalist seeking to report the truth and regard his detention over Christmas and the New Year as punishment enough if the court does find he did transgress the visa regulations."

Mr. Miskiw arrived in Warsaw from Vienna by train on Dec. 18, five days after the imposition of martial law, and was arrested on arrival, a Mirror spokesman said. The sources said.

Other diplomatic sources said U.S. officials were particularly opposed to the point concerning Turkey and to dropping the condemnation of the Soviet Union.

Consistent trouble at the NATO meeting had been anticipated from the new Greek government of Premier Andreas Papandreou. The Greek leader on Tuesday retracted his nation's support for the EEC statement last Monday, which criticized Soviet "pressure" on Poland, and fired Assafakis Fotias, the deputy foreign minister who had signed it.

U.S. officials expressed confidence that a joint NATO statement would be adopted "one way or another" despite problems from Greece.

The sources added, however, that Greece was willing to condemn martial law in Poland.

Monteagle Sterns, the U.S. ambassador to Greece, called upon Foreign Minister Ioannis Haralambopoulos to seek clarifications of the Greek statement after it was delivered to the embassy. At the same time, he asked Athens to abandon at least one of the points the sources said.

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He singled out West German firms, ranging from those contracted to deliver 700,000 tons of pipes to others that will build a new aluminum plant and a large factory producing synthetic fibers.

Mr. Patolichev mentioned the recent visit to Bonn by the Soviet leader, Leonid I. Brezhnev, and said that several large projects "are being considered now, including some that are looking into the next century."

He said the Soviet Union continued to promote trade with Western countries "even in the present complex world situation." This, he said, reflects Moscow's determination to contribute "to the improvement of general relations with them and to continue détente."

Mr. Patolichev said that since the onset of détente, Moscow's trade with the West had risen from \$6.7 billion in 1971 to \$45 billion in 1980. He said Western Europe today accounts for 80 percent of Soviet trade with industrialized countries.

During the last decade, he continued, "Europe lived in the conditions of peace and détente, getting real benefits from the extension of business cooperation with Socialist countries. The large and steadily growing markets of the Socialist community constitute an objective reality. This is why the trend for expanding business cooperation between Western Europe, on the one hand, and the Soviet Union and other Socialist countries, on the other, is inevitable."

ski, a hard-liner from Katowice, was not unexpected. Their regions had been the scenes of the most intense and bloody unrest following the imposition of martial law on Dec. 13.

The man who replaced them — Maritime Economy Minister Stanislaw Bejger in Gdansk and Politburo member Zbigniew Messner in Katowice — are both viewed as orthodox Communists. Both are economists.

Pope Condemns Abuses

VATICAN CITY (AP) — Pope John Paul II on Sunday issued a tough condemnation of human rights abuses under the martial-law crackdown in his native Poland and declared that to violate a man's conscience is worse than killing him.

Using his strongest language since martial law was declared, the pope asserted, "I raise my voice to God, together with all men of good will, so that the consciences of my fellow citizens are not suffocated."

WORLD NEWS BRIEFS

Haitian Island Occupied in Coup Bid

The Associated Press

MIAMI — A tiny group of Haitian exiles occupied an island garrison just off Haiti, officials said Sunday, and its leader said his force would invade the mainland "within hours" in a bid to overthrow President Jean-Claude Duvalier.

A Haitian government spokesman told The Miami Herald that at least four men took control of the small Haute Palmiste garrison after landing Saturday by ship and amphibious aircraft at Tortuga Island, 5 miles (8 kilometers) from the Haitian coastal city of Port-de-Paix. There were no reports of gunshots or bloodshed.

The Miami Herald quoted its reporter at the scene as saying about 150 armed soldiers stood ready at Port-de-Paix to fend off any invasion. U.S. officials said Haiti's 6,000-member armed forces remained on full alert.

Bernard Sansaricq of Fort Lauderdale, Fla., is the leader of the invaders, who apparently hope to ignite a popularly based revolution in Haiti. Mr. Sansaricq, who took part in a 1963 coup attempt against Mr. Duvalier's father, Francois, said a small group of raiders linked up with a seaborne force of 250 Saturday to take control of Tortuga.

10 Charged With Plot in Singapore

Reuters

SINGAPORE — Ten persons, including four opposition politicians, have been detained on charges of planning to overthrow the government by force, an official announcement said Sunday.

It said the 10, members of the clandestine Singapore People's Liberation Organization, planned to solicit manpower and funds from unspecified foreign powers. The suspects, arrested over the weekend, were being held under the Internal Security Act, which allows indefinite detention without trial. At least two were arrested after trying to distribute pamphlets alleging that the government oppressed Malays.

The group planned to create communal unrest by distributing pamphlets and carrying out acts of arson and planting of bombs," the announcement said. It said the group was led by Zainul Abidin bin Mohd Shah, a member of the opposition Workers Party, which recently won a by-election to break the monopoly of the ruling Peoples Action Party for the first time in 16 years.

10 Red Brigades Suspects Arrested

From Agency Dispatches

ROME — Police hunting for a U.S. general kidnapped by the Red Brigades arrested 10 suspected members of the guerrilla organization here over the weekend.

Those arrested included Giovanni Semzani, who is alleged to be one of the guerrillas' ideologues. Mr. Semzani, a professor of criminology at Florence University, was charged in connection with the kidnapping of Judge Giovanni D'Urso in December, 1980. The judge was later released. Police found an arsenal of weapons, including small missiles, bazookas and a Soviet-made grenade launcher in the raid on Mr. Semzani's apartment.

The group was questioned Sunday about possible links with the disappearance of U.S. Brig. Gen. James Dozier, who was kidnapped in Verona on Dec. 17, but informed sources said none had emerged so far. Police believe Mr. Semzani is a leader of the Rome and Naples cells of the Red Brigades, while it is the Venice cell that is thought to have carried out the general's kidnapping.

Greek Politician Apologizes to Libya

New York Times Service

ATHENS — Evangelos Averoff, the Greek conservative opposition leader who was defense minister until his party was defeated last October, apologized Sunday for implying that Libya was an uncivilized country.

In an open letter replying to charges leveled by the Libyan diplomat in Athens, Mr. Averoff said that statements he made last week were misinterpreted, and that he did, in fact, consider Libya civilized.

In accusing Greece's Socialist government of staffing the diplomatic service with party stalwarts from outside the trained diplomatic corps, Mr. Averoff had said: "This measure has no precedence in any other country, apart from Libya. If it were a positive measure some civilized countries would have applied it for their own diplomatic needs."

Coup Attempt in Libya Is Reported

United Press International

KHARTOUM, Sudan — Syrian and Eastern bloc troops crushed a coup attempt in Benghazi, Libya, on Jan. 3 aimed at deposing Col. Moammar Qaddafi, the Libyan leader, according to the Sudan New Agency.

Fierce fighting between the coup leaders, including civilians and students, and pro-Qaddafi forces, including Soviet, East German, Cuban and Syrian troops erupted in Benghazi as the coup forces had already seized major road entrances," the agency, quoting reliable sources, said in a dispatch Saturday from Tunis.

It said the sources reported a large number of deaths on both sides and the arrest of about 350 officers, 280 civilians and 200 students. The sources also said that Col. Qaddafi was outraged by the coup attempt and ordered the arrest of his public intelligence director, Col. Yunis Halasim, and foreign operations director, Capt. Abdulla el-Sunousi.

9 Die in Turkish Collision
ISTANBUL — At least nine persons were killed early Sunday when an express train rammed into a bus carrying workers to an industrial plant near Adana, in southern Turkey, the state-run radio reported. The engineer of the train was taken into custody, the radio said.

The Associated Press
WASHINGTON — The Immigration and Naturalization Service has denied that it is seeking to deport as many as 100,000 Mexican aliens whose resident status was invalidated by a court decision. Special resident status had been granted to the aliens following a suit by Refugio Silva, a Mexican who in 1979 successfully contested a decision by the Carter administration to set aside for Cuban refugees visas normally available to all Western Hemisphere immigrants. Last November, however, the court reversed the Silva ruling, and the INS began a review of the status of those aliens in December, an action that has resulted in strong protests by Mexico. But the INS said Friday that all it is trying to do is determine which of the aliens have grounds for remaining in the United States — those married to U.S. citizens or having children born in the United States.

The Associated Press

Reagan Advisers Unite Behind Tax Increase

Treasury Secretary's Shift Leaves President Alone at the Top on 'Supply Side'

By Steven R. Weisman
New York Times Service

WASHINGTON — To those outside the wagon train, it looked last week as if the circle had closed around President Reagan.

Finally, his top advisers were unanimous in recommending that he present for 1983 a budget containing significant proposals for tax increases. Even the last holdout, Treasury Secretary Donald T. Regan — the only member of the inner circle who had been arguing in private what Mr. Reagan had been arguing in public that new tax increases would drag the economy down — had switched. "I think," Mr. Regan announced, "there will be some new tax increases" in 1983 and 1984 beyond the \$22 billion package the president reluctantly accepted in September. There seemed to be no one left.

On Capitol Hill, Rep. Jack Kemp, the New York Republican for whom tax increases are anathema, assessed Mr. Regan's comment as a defection that did not mean that the battle was lost. Rep. Kemp said he had been promised one last chance this week to make the opposition case, and he sounded hopeful. "I have been assured that the decision

sions are not locked in," he said, adding defiantly: "Douglas MacArthur once said that the forces of war breed timidity and defeatism. The forces of timidity and defeatism are having their hour, but I have hope the president will decide the right thing in the end."

Amid the battle for Mr.

NEWS ANALYSIS

Reagan's heart and mind, the most dramatic move of the week was the president's. He ordered his advisers to stop talking about the options they were presenting, and what he might decide; Mr. Regan, his aides said, was tired of reading in the newspapers about the proposals on his desk.

Projections Revealed

The first leak about the advice Mr. Regan was getting came last month, when it was disclosed that the Office of Management and Budget was projecting federal deficits of \$152 billion for 1983 and \$162 billion for 1984 if nothing was done to cut spending further or increase tax revenue. At issue was a package administration aides now

say would yield \$30 billion to \$35 billion in 1984 and bring the deficit in that year down to \$35 billion. This would be accomplished through a combination of increases on cigarettes, alcohol, tobacco and gasoline and increases in business taxes that would close loopholes in the administration's \$750 billion five-year tax reduction program, aides said.

The preliminary skirmish took the shape of an argument over economic projections. Opponents of new taxes accused budget director David A. Stockman of rigging the numbers to produce a pessimistic forecast to strengthen the case for more revenue. Mr. Regan, according to insiders, insisted that the deficit projections were exaggerated. To some, the argument shaped up over whether to raise taxes or to raise expectations on the economy. As reconstructed by administration officials, the turning point came when Mr. Regan and some of his aides became convinced that because the administration was predicting low money-supply growth there was actually very little room for an economic recovery robust enough to improve the deficit picture.

The advocates of tax increases

including James A. Baker 3d, Edwin Meese 3d and Michael K. Deaver, the president's three top advisers — were described as certain that as long as Mr. Regan held out, there was no hope of convincing the president to abandon his own instincts. Mr. Regan's public comments last week signified a victory for them, even though they may have embarrassed the president.

The battle for Mr. Regan's vote was one side of the strategy of the tax-increase proponents.

The other side was an exercise

carried out in December, in which the president personally reviewed Mr. Stockman's proposals for deep spending cuts in the agencies. No one at the White House regarded the proposals to further slash housing, environmental and energy programs as politically realistic.

Mr. Regan took off for Camp David, Md., Friday afternoon with White House officials saying that he had made some preliminary decisions and left others open. The impression aides gave was that Mr. Regan was finding it difficult to reject the unanimous advice of his own team, though he did want to leave room for talking to congressional Republicans.

The advocates of tax increases

New UN Chief Favors Brezhnev-Reagan Talks

By Bernard D. Nossiter
New York Times Service

UNITED NATIONS — Secretary-General Javier Pérez de Cuellar says he believes a meeting between President Reagan and Leonid I. Brezhnev, the Soviet leader, would ease tensions in the world.

In his first interview since assuming the leadership of the United Nations, Mr. Pérez de Cuellar said: "Confrontation is more or less present. That's why a dialogue is necessary. It would project a shadow on all international problems."

A hopeful sign, he said, is that "the main countries understand that tension doesn't exclude dialogue, that because of tension dialogue is needed; dialogue is the beginning of a negotiating process."

The secretary general was alluding to remarks last week by Secretary of State Alexander M. Haig Jr., who said that Mr. Reagan believed that communication between governments is vital in times of crisis. Mr. Brezhnev first proposed a summit meeting last March in his first letter to Mr. Reagan.

Create an Atmosphere

"The problem we have to face is how to generate again détente, create an atmosphere that would lead to a peaceful solution of problems," Mr. Pérez de Cuellar said.

The secretary-general warned, however, against U.S. plans to bring the Polish crisis before the United Nations as a case of violation of human rights. He noted that the UN Charter prohibits intervention in the internal affairs of member states and said, "I don't think so far there is any evidence

of external interference in the Polish question."

This view is not shared by Mr. Reagan. In a joint statement last week with Chancellor Helmut Schmidt of West Germany, the president "noted the responsibility of the Soviet Union for developments in Poland and expressed serious concern about the serious pressure it is bringing to bear against Polish efforts for renewal."

Mr. Pérez de Cuellar said, "The United Nations should be very careful not to set precedents in any dealing with this question which could be used against other countries."

The secretary-general made clear, however, that he was sensitive to the question of human rights, which he called "a moral issue that exceeds the charter."

"I am personally concerned," he said. "I hope this question will be solved with due respect to the rights of the Polish people."

On world tensions generally, Mr. Pérez de Cuellar was reluctant to single out any area as most dangerous, but he said: "The problem that needs our most concern is the Middle East. At some stage, the United Nations must be present for a final political solution."

He rejected, however, the Arab view that the Camp David accords between Egypt and Israel were undermining the road to peace.

His view, he said, "does not mean

I don't respect all other efforts — the United Nations must be respectful of efforts by member countries."

If he has a single goal for his term in office, he said, it is to preside over the independence of South-West Africa, the territory that is controlled by South Africa and that is also known as Namibia. "I can't forget I come from the Third World," Mr. Pérez de Cuellar said. "I have to give priorities. I've committed myself to solve this problem as soon as possible."

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His view, he said, "does not mean

Schmidt Urges Soviet-U.S. Summit, Says Kremlin Underestimates Reagan

From Agency Dispatches

WASHINGTON — West German Chancellor Helmut Schmidt called in a U.S. television interview Sunday for a summit meeting between President Reagan and the Soviet leader, Leonid I. Brezhnev, to show the Russians that they are dangerously underestimating "the guts that are behind the American president."

The West German leader also declared that, far from dragging his feet, he had placed the blame on the Kremlin from an early stage for the crisis in Poland.

"They underestimate you [Americans], and this is the great danger. It can lead to miscalculations which might spell danger for all of us, for you as well as for us in West Europe, as well as for them," Mr. Schmidt said.

"I think it would be good if some time in the ... future there would be a meeting between Presidents Reagan and Brezhnev in order to make the Soviet leader understand the guts that are behind the American president."

"Except for President Reagan I am the only one who has sent a letter to Brezhnev ... about this very sad and dramatic Polish event in December because I thought that the Soviets were more responsible for what happened in Poland than the Poles themselves," he said. "And I wanted to make clear, for the public and also for the addressers in Moscow, that we thought Moscow had a hand in it."

Polish Defections, Formerly Rare, Rise With Coming of Martial Law

By Jeff Bradley
The Associated Press

LONDON — The defection of the Polish ambassadors to Washington and Tokyo after the martial law crackdown in Poland makes them a rarity among Eastern bloc exiles.

In the past 20 years, the most famous defectors from behind the Iron Curtain have been Russians such as the ballet stars Rudolf Nureyev and Mikhail Baryshnikov and the chess grandmaster Viktor Korchnoi.

Others who have chosen exile include prominent Czechoslovak defectors from their country, and dissenters from Hungary, Romania and East Germany.

But few have sought political exile from Poland, a strongly nationalistic country despite its history of changing allegiance between the Eastern and Western powers.

"The prominent nonconformists in Poland were all in Solidarnosc [the free trade union] and didn't want to escape because there was no reason for them to," said a prominent member of the Polish émigré community in London, who asked to remain anonymous. "Solidarity was a cause for optimism."

Of those who did leave in the months before the Dec. 13 military crackdown, some feared Solidarnosc's days were numbered and the Russians were certain to move in. But many Poles arrived in Austria and West Germany simply to escape the economic hardships that led to the Polish crisis.

Refugees Doubled

The number of Poles applying for political asylum or an extension of their residency permits in West Berlin doubled to more than 750 in December, according to West Berlin police.

The two Polish ambassadors said they defected because of martial law and the prospect of Polish troops suppressing their own people.

Ronald Spasowski, 61, Poland's ambassador to the United States, made his decision Dec. 20, saying: "The cruel night of darkness and silence has spread over my country."

Two days later, Zdzislaw Ruzar, 51, the Polish ambassador to Japan, also defected and sought asylum in the United States.

More than 80 Polish sailors sought permission to stay in Canada, and hundreds of Polish travelers around the world likewise asked for asylum.

For a Nureyev or Alexander I. Solzhenitsyn, the Nobel Prize laureate in literature who was expelled from the Soviet Union in 1974, exile has brought new forms of popularity.

But what about the less illustrious — what is exile like for them? Many feel, like Mr. Solzhenitsyn, that the West is too lax.

Westerners judged "soft"

Paul Goma, 46, a Romanian refugee and writer who has lived in Paris since 1977 after spending eight years imprisoned in his own country, said Westerners were too softened by prosperity to recognize the Communist threat. The constraints he faced "stimulated" him to fight while in Romania.

"I wrote five novels in three years there, and two in four years here. In Romania I wrote in anger," Mr. Goma said.

Vladimir K. Bukovsky, a Soviet dissident who was freed in 1976 in exchange for Luis Corrales, the Chilean Communist Party leader, and is now a biology student in England, is reluctant to diagnose terminal illness for the Western democracies.

Former Czechoslovak Vice Premier Ota Sik, architect of the economic reform that preceded the Soviet crackdown there, was vacationing in Yugoslavia when Warsaw Pact troops marched into Czechoslovakia on Aug. 20, 1968. But the lives of defectors are often scarred by the thought of family members left behind. Mr. Nureyev, who lives in London, has been trying for 17 years to get his mother out of the Soviet Union. Mr. Korchnoi, who defected in 1976 and now lives in Wohlen, Switzerland, has still not been joined by his wife and son despite many appeals to Soviet authorities.

"The matter was quite far advanced," he said, although he had not decided whether to accept. He was ambivalent about his achievements in exile.

"I have had very good, uninhibited conditions for academic work. But on the other hand, I'm very far away from my actual subject of study — Eastern Europe —

so there has been one plus and one minus," he said.

Jan Kavan, a defector from Czechoslovakia 11 years ago, runs the Palach Press, a dissident information service in London. Most Eastern bloc defectors are critical of the West, he said.

"Many have great illusions about the West in terms of how free and democratic it is and what it is doing against the totalitarian regimes of the East," he said. "Every time there is a question of economic sanctions, whether over Afghanistan or over Poland, the West looks for the easy option that won't harm its trade relationship with the East but will satisfy public opinion."

Despite these complaints, most defectors do not want to go home, Mr. Kavan said.

Many become experts in the West on Communism. Zdenek Mylar, former member of the Presidium of the Central Committee of the Czechoslovak Communist Party, was the highest-ranking Communist official ever to defect from any country when he fled to Austria in 1978. An original signatory of the Charter 77 document calling for human rights reform, Mr. Mylar is now an adviser to the Austrian government and several academic institutions.

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U.S. Panelists Warn of New Arms Race

They Fear a Buildup Of Chemical Weapons

Washington Post Service

WASHINGTON — The United States is on the brink of a new arms race — a race to make and stockpile chemical weapons — according to government and academic panelists at the annual meeting of the American Association for the Advancement of Science.

The battle for Mr. Regan's vote was one side of the strategy of the tax-increase proponents. The other side was an exercise carried out in December, in which the president personally reviewed Mr. Stockman's proposals for deep spending cuts in the agencies. No one at the White House regarded the proposals to further slash housing, environmental and energy programs as politically realistic.

The first skirmish took the shape of an argument over the nature of the tax-increase proponents. The other side was an exercise carried out in December, in which the president personally reviewed Mr. Stockman's proposals for deep spending cuts in the agencies. No one at the White House regarded the proposals to further slash housing, environmental and energy programs as politically realistic.

Mr. Regan took off for Camp David, Md., Friday afternoon with White House officials saying that he had made some preliminary decisions and left others open. The impression aides gave was that Mr. Regan was finding it difficult to reject the unanimous advice of his own team, though he did want to leave room for talking to congressional Republicans.

The advocates of tax increases

Pentagon, CIA Seek to Stem Flow Of Scientific Details to Russians

By Philip M. Boffey
New York Times Service

WASHINGTON — U.S. defense and intelligence officials are urging that action be taken to stem the flow of unclassified scientific communication that could be of military value to the Soviet Union.

Frank C. Carlucci, deputy secretary of defense, recently warned the American Association for the Advancement of Science that "the Soviets exploit scientific exchanges as well as a variety of other means in a highly orchestrated, centrally directed effort aimed at gathering the technical information required to enhance their military posture."

After years of hopes that a treaty banning all chemical warfare could be worked out, the world "now finds itself on the threshold of a chemical arms race," said Arthur Westing, a professor of environmental science at Hampshire College near Washington.

"Yes, there is a real risk now of a chemical arms race," said Robert Mikulak, physical science officer with the U.S. Arms Control and Disarmament Agency.

Mr. Mikulak blamed the possible arms race on the Soviet Union, while Mr. Westing placed the responsibility largely on the United States but failing to provide data requested in return.

He also said the Russians were "misusing" an exchange program for young scholars. He said the United States was sending young students, mostly in the humanities, while the Soviet Union was sending senior technical people, some from military institutions.

Military Research

Mr. Carlucci said Soviet exchange scientists were often involved in applied military research. As an example, he cited the case of a Soviet scientist who studied "the technology of fuel-air explosives" at a leading U.S. university in 1976-77, under the tutelage of a professor who consulted on such devices for the Navy.

He said the Russian also obtained numerous documents pertaining to fuel-air explosives from

the National Technical Information Service, an unclassified technical depository operated by the Commerce Department. Then, Mr. Carlucci said, "he returned to his office in the U.S.S.R. developing fuel-air explosive weapons."

Under one voluntary experiment, academic mathematicians agreed to submit papers related to cryptography to the National Security Agency for review before publication. Adm. Inman believes a similar system could be used in other research areas.

Adm. Inman later said in a telephone interview he was expressing a personal opinion and not the CIA's views.

William D. Carey, executive officer of the science association, called the statements by Mr. Carlucci and Adm. Inman "a matter of very serious concern."

"The statements reflect intentions and I don't take it lightly. We will not let the matter rest."

He said that Mr. Carlucci's letter focused mainly on half a dozen bad cases, including some exchanges that were discontinued because they were so one-sided" and that "he barely touched on the problems of the open literature and international conferences."

U.S. Border and Airline Alert Ordered Pending Court Action

Reagan, Who Backed Puerto Rican Statehood In 1980, Is Expected to Call for a Referendum

By Irvin Molotsky
New York Times Service

WASHINGTON — President Reagan plans to make a major statement Tuesday on Puerto Rico, and indications are that he will endorse an islandwide referendum on its status. Mr. Reagan has said in the past that he favors statehood for the commonwealth.

Mr. Reagan is to make his statement after meeting at the White House with four Puerto Rican political leaders, all of whom favor statehood. They are Gov. Carlos

Romero Barceló, San Juan Mayor Herman Padilla, former Gov. Luis A. Ferre, and the island's commissioner, Baltazar Corrales.

David R. Gergen, the White House communications director, confirmed Saturday that the meeting would be held Tuesday but declined to discuss what the president might say afterward.

Press Endorsement

Mr. Gergen said, however, that in the past Mr. Reagan had endorsed self-determination for Puerto Rico and that he had not

sought to impose his own preference for statehood on residents of the island.

News of the impending meeting and announcement came from Sen. Alfonse M. D'Amato of New York, who met with the pro-statehood political leaders recently while vacationing in Puerto Rico.

Sen. D'Amato, a Republican, also favors statehood for the island.

Press Endorsement

When reached by telephone, Sen. D'Amato said of the forthcoming statement by Mr. Reagan: "All those I have met have given

me to believe that it would be for statehood."

Mr. Gergen would not go that far, referring instead to Mr. Reagan's previous statements.

Campaign Statement

Two years ago, in an editorial page article in The Wall Street Journal, Mr. Reagan said: "When I formally announced my intention to seek the Republican presidential nomination in 1980, my televised speech to the nation included a commitment to not only support statehood for Puerto Rico if the people of the island commonwealth desire statehood. It also included a commitment that, as president, I would initiate statehood legislation, which really means that I would take the lead in persuading the people of Puerto Rico — the mainland United States — all American citizens — that statehood will be good for all of us."

Puerto Rico was ceded in 1898 to the United States by Spain following the Spanish-American War.

Voting Rights

Puerto Ricans do not vote in the U.S. presidential or congressional elections, but those who move to the mainland may do so, subject to local electoral laws.

Since citizens of Puerto Rico (the 1980 census put their number at 3,187,570) are not represented with a vote in the federal Congress, they are not subject to federal taxes. They are, however, subject to substantial commonwealth taxes.

Mr. Reagan said in 1980: "As a commonwealth, Puerto Rico is now neither a state nor independent, and thereby has a historically unnatural status. There is this raw nerve to rub, and our Marxist-Leninist competitors rub it."

As the 51st state, Mr. Reagan said, Puerto Rico would be "a positive bridgehead in the Caribbean, Latin America and the developing world."

A possible hurdle to statehood, Sen. D'Amato noted, is that the Puerto Rican legislature is controlled by anti-statehood forces.

Brunei Hardens Drug Law

Reuters
BRUNEI — The British protectorate of Brunei has introduced the death penalty for drug trafficking, bringing it into line with neighboring Malaysia and Singapore.

2 of Reagan's Helicopter Guards Accused of Disclosing Itinerary

By Bill Prochnau
Washington Post Service

WASHINGTON — Members of the elite Marine Corps squadron that guards presidential helicopters have accused two top noncommissioned officers of disclosing sensitive information and displaying the president's helicopter itinerary in a Mexican bar just before President Reagan's October visit to the Cancin summit conference.

The allegations have caused an uproar within the Marine unit and apparently severe morale problems. Some of the handicapped guards have formed secret groups in an attempt to find a way to deal with the situation.

Both the White House military office and the commanding officer of the helicopter unit, known as HMX-1, say they have investigated the incident and that they believe no serious classified information was jeopardized.

But several noncommissioned Marine guards, including one eyewitness who spoke on the record in an interview, accused middle-ranking officers and noncommissioned officers of covering up the magnitude of the incident. They say they find that surprising, particularly in view of the recent emphasis on presidential security.

The witness, Cpl. Thomas Arnold, said he and two other security guards observed the sergeants displaying the helicopter itinerary and talking about presidential arrival times and code names for the helicopter while drinking with two American tourists.

Cpl. Arnold said the incident oc-

curred at 1:30 a.m. Oct. 19 in Gris's Disco on Cozumel, an island off the east coast of the Yucatan Peninsula where the Marines were stationed until the president's arrival. Cpl. Arnold said the sergeants were drinking heavily and talking with the two women, a Tulsa travel agent and her sister, in a booth off the dance floor.

The alleged incident occurred shortly after the assassination of Egyptian President Anwar Sadat and shortly before reports began surfacing that a Libyan assassination team had been assigned to kill Mr. Reagan — a time when extraordinary measures were being taken to provide for Mr. Reagan's security.

The two sergeants were identified as Staff Sgt. Lee Kovalik, the noncommissioned officer in charge of security for the Cancin visit, and Sgt. William D. Roop. Neither Sgt. Kovalik nor Sgt. Roop was available for comment.

Lt. Col. Paul S. Johnston, commanding officer of HMX-1, said the two sergeants were reprimanded after an investigation by Marine security officers and the White House military office. Col. Johnston said Sgt. Kovalik and Sgt. Roop "should not have done it" but that the investigations revealed no serious security violations.

A White House spokesman also confirmed that an investigation had been conducted, with the conclusion that no classified information had been revealed.

Members of the unit, however, contend that the investigation and

the reprimands were farces. The reprimands, they said, called for Sgt. Kovalik and Sgt. Roop to lead "classes once a week on how to handle sensitive material."

Since that time, Cpl. Arnold said, only one class has been held. Cpl. Arnold said that about 40 members of the security unit attended the class, at which Sgt. Kovalik apologized to the group but said he and Sgt. Roop were discussing guard schedules, not itineraries, in the bar.

There are no indications that the two women were anything but tourists or that the president's security was put at risk. Attempts to reach the women in Tulsa have been unsuccessful.

The incident clearly has caused a tempest within the elite Marine unit. At least a dozen members of the unit are up in arms over the incident. They have written letters to at least four members of Congress, including Sens. John H. Glenn Jr. of Ohio, and Claiborne Pell of Rhode Island, both Democrats, and to the sergeant major of the Marine Corps.

Part of the animosity and dissension among the Marine guards apparently springs from what they consider inconsistency in punishment for rule infractions.

"We've had guys written up for not shining the brass on their ammo pads or because their boots weren't shiny enough," Cpl. Arnold said. "And these guys go out and do this, which is like, this is our mission, this is the complete high, this is the itinerary, this is the president."



Salvadoran soldiers arriving at a U.S. Air Force base in North Carolina en route to training at Fort Bragg.

Salvadoran Troops Arrive in U.S. for Infantry Training

United Press International

POPE AIR FORCE BASE, N.C. — The first contingent of a 1,000-man Salvadoran battalion has arrived for advanced infantry training at the U.S. Army's Green Berets unit at Fort Bragg.

The 60 soldiers constitute the lead group to be trained at the

John F. Kennedy Center for Military Assistance, the Army's Green Beret headquarters. The rest of the battalion will arrive next month.

A Pentagon spokesman said the Salvadoran soldiers will be trained in guerrilla warfare and counterinsurgency.

"These troops will receive the

same advanced infantry tactics training a U.S. soldier would receive in basic training," said Col. Edward Richards, commander of the 7th special forces group at Fort Bragg.

In addition, about 600 Salvadoran officer candidates will be trained at Fort Benning, Ga., starting about Jan. 25, Defense Department officials have said.

Brandt Quoted as Assailing Reagan Economics

The Associated Press

KUWAIT — Willy Brandt, leader of the West German Social Democratic Party, has warned of catastrophic consequences for developing nations if the United States does not abandon its rigorous economic policies, according to an interview published in the Kuwaiti daily Al-Watan.

Mr. Brandt, in Kuwait to preside over a meeting of his international commission on North-South relations, also warned against going ahead with large armament programs at a time when a fraction of world armament expenditures could solve the development problems of Third World countries, the paper said.

"I believe, and a number of my colleagues in the commission share this opinion, that the United States has two alternatives — either effect a radical change in its present economic policies during the coming two years or face a semicatastrophe," the paper quoted Mr. Brandt as saying.

Mr. Brandt did not elaborate, but observers said he was referring to the Reagan administration's foreign aid policies, its direction of world bodies in charge of international financing, such as the World Bank, and its strict pursuance of a

free-market economy with adverse effects on the economies of developing nations and the world economy as a whole.

In the case of British policies, Mr. Brandt was quoted as having said that the consequences will be less dramatic because Britain does not bear the same weight in global economies, "though my expectations apply in principle to British economic policies as well."

In contrast, he was said to have called the Kuwait meeting "one of the most successful meetings held so far by the commission."

"We reviewed the most urgent problems facing the world, particularly the development of agriculture, financing, and the soaring armament expenditures, which last year reached \$560 billion in a world suffering from various economic mishaps," Mr. Brandt reportedly said. "If only a fraction of that amount were allocated for solving economic problems, we could have achieved marvelous results."

Mr. Brandt, a former chancellor of West Germany, said his commission faced a twofold task, the newspaper reported — to work out short-term steps for alleviating the plight of developing nations as well as long-term remedies for "this mad world economic order, where large parts of the world suffer from severe need while other parts possess unused resources."

"If we want to ensure develop-

ment for the two parties, developed and developing countries, without the West resorting to its obsolete imperialist criteria, the industrialized nations must know that the sole way for overcoming stagnation is through economic recovery of developing countries," he was quoted as saying. "This is the solution for the world's economic problem. Industrialized nations should be more aware of this than anyone else because traditional marginal solutions no longer solve their problems."

Egypt to Free 81 Held in Crackdown

The Associated Press

CAIRO — The prosecutor general has ordered the release of 81 more religious fundamentalists, journalists, academics and politicians arrested last September in President Anwar Sadat's crackdown on religious extremists, the official Middle East News Agency has reported.

The release order, made Saturday, leaves 1,368 persons still in detention of the 1,536 arrested in the September crackdown. According to police sources, most of those released were "Islamic elements."



WHEN YOU MAKE THE FOLKS BACK HOME WANT TO BE IN YOUR SHOES, SAVE SOME DUTCH GULDERS ON THE CALL.

Who wouldn't want to be in your shoes? Especially when those feet will be taking you to the famous cheese markets, flower auctions, gorgeous canals, windmills, and a Van Gogh or two. So share it all with your family and friends back home. But before you make that call, here are some guilder-saving tips.

SAVE ON SURCHARGES
Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

There are other ways to save money.
SAVE WITH A SHORTIE

In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call-back from the States with dollars, not local currency, when you get your next home or office phone bill.

SAVE THESE OTHER WAYS
Telephone Company credit card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid

surcharges altogether by calling from the post office or from other telephone centers.

SAVE NIGHTS & WEEKENDS
Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.

Now that you've learned to walk on wood, you've saved a little shoe leather. And now that you've learned the calling tips, you'll find it easy to foot the phone bill.

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Reach out and touch someone

MEET THE NEW FRENCH ADMINISTRATION

February 8 and 9, 1982 in Paris

The election of François Mitterrand and the subsequent Socialist victory in the French parliamentary elections clearly mark an important turning point for the French economy. With the cooperation of the new Socialist government, the International Herald Tribune has organized a conference designed to help senior executives of foreign companies judge how the new administration's policies will affect their company's activities and investment in France.

Prime Minister Pierre Mauroy will open this meeting on "New French Economic Policies," to be held February 8 and 9 at the Intercontinental Hotel in Paris.

The program will include presentations by Jacques Delors, Finance Minister; Michel Jobert, Minister of Foreign Trade; Michel Rocard, Minister of Planning and Regional Development; Nicole Questiaux, Minister of Social Policy; Pierre Dreyfus, Minister of Industry; Jean

Aurox, Minister of Labour; André Chaudenac, Minister delegated to the Minister of Foreign Affairs, in charge of European Affairs; and Laurent Fabius, Minister delegated to the Finance Minister, in charge of the Budget, as well as Jacques Attali, Special Counsellor to the

President; Bernard Attali, President of D.A.T.A.R., the French government's regional development agency; Christian Coux, Chairman of the Economic and Finance Committee of the National Assembly, and other senior government officials.

Additional insights on various aspects of doing business in France will be provided by André Bergeron, Secretary General of the "Force Ouvrière" trade union, by a panel of international bankers and by a panel of industrialists. The former will include Hervé de Carmoy, General Manager of the Midland Bank Ltd.; Jean Desfosses, Director of International Affairs, Crédit Lyonnais, and Edouard Veltin, Advisor to the Board of Executive Directors, Bayerische Vereinsbank. The industrialists' panel, to be chaired by David McGovern, President of the American Chamber of Commerce in France, will include: Rudolph Boniface, Chairman of Ford France; Jean Gandois, Chairman of Rhône-Poulenc; Jean-Luc Lagardère, Chairman of Matra; Bernard Lathière, President of Airbus Industries, and Yves Ragouneau, President of Sony France.

Each presentation will be followed by a question and answer period, and simultaneous French-English translation will be provided at all times.

To register for this exceptional international conference, please complete and return the registration form below today.

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Please enroll the following participant for the conference to be held February 8 and 9, 1982 in Paris.

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U.S. Aides Say China Won't Affect Decision on Sale of Jets to Taiwan

By Richard Halloran
New York Times Service

WASHINGTON — The Reagan administration, in its discussions on the possible sale of fighter planes to Taiwan, will not be deterred by Chinese protests against last month's decision to sell spare military parts to Taiwan, according to senior administration officials.

"The president will not be intimidated by the Chinese reaction," said one official. "But he is also not insensitive to the Chinese."

The officials said that no decision had been made on whether to make the sale or on which fighter plane Taiwan might be permitted to buy, but they indicated that the F-5G "Tigershark," made by Northrop, was the leading candidate. Taiwan already builds the Northrop F-5E under license.

Chinese diplomats in Washington reiterated Peking's dismay at the prospect of continued U.S. arms sales to Taiwan and suggested that diplomatic relations between Washington and Peking be reduced if the sale went through.

Rough Seas Ahead

They also said that an evolving military relationship between the United States and China would be halted. "The only ones who will be happy about that will be the Russians," one Chinese diplomat said. The administration has been prepared to sell China large quantities of conventional arms.

Administration officials acknowledged that relations with China are heading for difficulty but said that in the event they decided to sell the jets to Taiwan, it would be better to have the decision announced, ride out the storm and then try to resume the military relationship later.

The latest episode in the continuing dispute between Washington and Peking over the sale of arms to Taiwan began last month when the State Department notified Congress that the administration planned to sell an estimated \$97 million worth of military spare parts to Taiwan.

Peking immediately protested

Beirut Clashes Resume; A Militiaman Is Killed

The Associated Press

BEIRUT — One militiaman was killed in renewed fighting between two rival Lebanese militias in Moslem West Beirut, a police spokesman said Sunday. The clash followed a two-day lull in battles that claimed 15 lives last week.

Meanwhile, a bomb exploded in a Beirut bank, causing minor damage but no casualties, the spokesman said.

vigorously. Chinese diplomats in Washington said that their government was upset because it had not been consulted and because the sale indicated that the United States intended to treat the Nationalist regime on Taiwan as a separate nation with a sovereign government.

The diplomats asserted that the sale violated understandings reached with the United States

when President Richard M. Nixon visited China in 1972 and when President Jimmy Carter established diplomatic relations with China in 1979. In the Chinese view, the United States has recognized that Taiwan is part of China and therefore sales of arms over Peking's objections were a violation of China's sovereignty.

U.S. officials, however, contend that the United States had no obligation to consult with Peking on routine matters such as the sale of spare parts to Taiwan.

The Taiwan Relations Act of 1979, adopted to govern the unofficial relations between the United States and Taiwan, says that "the United States will make available" equipment and services to enable Taiwan "to maintain a sufficient self-defense capability."

Chinese diplomats in Washington declined to specify what their government would do if the administration decided to sell fighter planes to Taiwan. But they pointed to Peking's disapproval of the recent sale of two submarines by the Netherlands to Taiwan, after which Peking downgraded diplomatic relations with the Dutch to a secondary level.

4 Die in Thailand Clash Of Communist Factions

Reuters

NARATHIWAT, Thailand — Four Communist guerrillas have been killed in a clash between factions of the outlawed Communist Party of Malaya near the Thai-Malayan border, Thai Army sources said.

The clash occurred about a week ago and was the most serious of several recent skirmishes between the regular party and its breakaway Marxist-Leninist faction, the sources said Saturday. They said Thai security forces had recovered the bodies of four members of the Marxist-Leninist faction.

They also said that an evolving military relationship between the United States and China would be halted. "The only ones who will be happy about that will be the Russians," one Chinese diplomat said. The administration has been prepared to sell China large quantities of conventional arms.

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A wounded Iranian soldier is evacuated from a battle site near Ilam, Iran, to a hospital away from the fighting. The photograph was taken last month and brought from Iran on Saturday.

Khameini's Brother Wounded in Tehran

Reuters

LONDON — The brother of President Ali Khamenei of Iran was shot and wounded Sunday in Tehran, Iranian radio reported.

The radio said that Mohammed Khamenei, a deputy in the Iranian

parliament, was not seriously wounded, but that his two bodyguards were killed.

Iranian evening newspapers said he was traveling by car to the parliament in central Tehran Sunday morning when gunmen fired from a building site.

Mr. Khamenei was hit in the arm, the paper said.

Mohammed Khamenei is a hoja-tolism, a Moslem clergymen, as is the president.

The assassination attempt was

the latest in a series of attacks

against Iranian parliamentarians

in recent months.

Iranian radio blamed "American agents" for Sunday's attack. This

is generally a reference to leftist

Moslem Mujahidin guerrillas who

the fundamentalist government

claims are supported by the United

States.

Dozens of deputies have been

killed over the past eight months,

including more than 20 in one

bomb blast last June.

President Khamenei was

wounded by a boby-trapped tape

recorder last June as he addressed

worshippers in a Mosque.

The last deputy killed was

Mohammed Taki Behsharati, from

the province of Isfahan, who was

shot and killed Dec. 28 in Tehran.

Mr. Ay, 29, wanted in connection with rightist terrorist activity, is believed to have helped Mr. Agca obtain the false passport found on him when he was arrested at the Vatican.

Investigation Resumed

Mr. Agca was sentenced to life imprisonment by an Italian court for attempted murder of the pope. But the prosecution has resumed its investigation because of publici-

ty given to photographs showing

possible accomplices.

The independent Istanbul daily

described as "not accurate" recent

reports from Rome indicating that

Turkish authorities had identified

a man photographed standing near

Mr. Agca at the time of the

shooting. May 13 as a wanted Turk

named Omer Ay.

At the same time, the chief of

Turkish security, Fahri Gorgulu,

confirmed that Mr. Ay had both been in

West Germany at one time.

Questioned about Mr. Agca's al-

leged relationships with the ex-

treme rightist Nationalist Move-

ment Party, Mr. Gorgulu referred

to a letter apparently from Mr.

Agca to the party chairman, Al-

paslan Turkes, 64. Mr. Turkes and

219 Nationalist Movement Party

leaders are facing death sentences

for attempting to overthrow the

state by force, prior to the Sept. 12,

1980, military takeover in Turkey.

During the trial, the military

prosecutor presented the letter to

the court. The word Munich was

written at the top, but there was no

date. The signature was said to be

that of Mr. Agca.

Mr. Turkes responded angrily

that the letter was part of a con-

spiracy. His trial is continuing.

"Agca is a very complicated per-

sonality. He has claimed to be a

Communist, a fascist, a follower of

Habash," Mr. Gorgulu said, refer-

ring to George Habash, the Marx-

ist leader of the Popular Front for

the Liberation of Palestine. "But

he was continually telling lies to

divert the investigation."

The Turkish security chief said

that if Turkish authorities had

been allowed to take part in the

interrogations, they could have

seen through the lies and might

have got closer to Mr. Agca's mo-

tives.

"We even followed him to Italy

and informed the Italian police he

could be found in a certain restau-

rant in Venice. But when they went

there it was too late," Mr. Gorgulu

said, pointing out that this was a

few days before the shooting of the

pope.

The Italian police had kept the

Turkish security officials "at a dis-

tance" during the investigation

and interrogation of Mr. Agca, ac-

cording to Mr. Gorgulu.

"We have several well-trained

police who had followed Agca con-

tinuously and knew him so well he

could not have lied to them," Mr.

Gorgulu said.

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Amid Policy Shifts, Ethiopia Leans Uneasily on Russia for Weaponry

By Jay Ross

Washington Post Service

ADDIS ABABA, Ethiopia — "Everything has been turned upside down," the veteran civil servant said. Now that Ethiopia has a friendship pact with the Soviet Union, "the Russians are hated, just like the Americans were hated when they were here."

"Now the Americans are popular," he said, adding with a sardonic grin: "We seem to like those who are most distant from us."

Anti-Soviet remarks are as common as poverty in the capital of this poor East African nation, but even the most vociferous private critics of the Soviet Union do not expect any major shift soon away from Moscow by the military government.

Foreign Policy Shifts

"Public opinion never counted for anything under Emperor Haile Selassie, and it doesn't affect policy now either," another disgruntled official said.

In the last year, Ethiopia has carried out a number of subtle — and sometimes bewildering — shifts in its foreign relations without altering its basic orientation toward the Soviet Union.

In the first half of the year, a major opening toward the West, although not the United States, appeared to be under way.

Then in August, Ethiopia, Libya, and Southern Yemen formed an alliance — the first time this ancient black African nation has ever allied itself with Arab nations, which traditionally have been regarded as key enemies.

Most diplomats trace the expla-

nation for those moves to the deteriorating state of the Ethiopian economy. Ethiopia has discovered that the Soviet Union, which has provided more than \$2 billion in military aid in the last four years, is not so forthcoming when it comes to development assistance.

Even like the United States is still the world's largest source of such aid, Ethiopia steadfastly has refused to turn to its former ally. On the contrary, the government launched a harsh propaganda attack on Washington in November, even indicating that it might break relations.

Ethiopia's opening to the West, particularly the Europeans, has not resulted in much aid. Relief officials say Ethiopia receives the lowest amount of aid per capita of any developing country — less than \$6 a year, compared with an

average of \$20 per capita for Third World nations.

Italy, the former colonial power in the Ethiopian province of Eritrea, gave \$44 million this year, and the European Economic Community has pledged a four-year package of \$150 million. Sweden has provided \$20 million a year but is likely to cut that amount because of unhappiness with the government's treatment of the Lutheran Church in the country.

The World Bank resumed loans last year after suspending them because of the failure of Ethiopia to compensate nationalized companies.

The United States cut off aid in 1979 over that issue, and the ban continues except for food aid, which totaled about \$8 million, including transportation charges, last year. Ethiopia asked for the withdrawal of Ambassador Fred

erick Chapin, mainly over the compensation issue, in 1980, and Washington has been represented by a chargé d'affaires since then. Ethiopia has had the same level of representation in Washington since the last ambassador sought asylum three years ago.

One principle of Ethiopian foreign policy since 1977 has been that the United States, Addis Ababa's traditional arms supplier, turned its back on Ethiopia in its hour of dire need.

Ethiopia, faced with war with Somalia and guerrilla conflicts in the north, needed arms. The United States, faced with reports of human rights violations and Ethiopia's shift toward Marxism, hesitated and even refused to deliver some arms that had been paid for.

Ethiopia then turned to the So-

viet Union, which provided a cornucopia of weapons the country never will be able to pay for and thousands of Cuban troops who helped defeat the Somalis.

That has created a bond acknowledged even by Ethiopians who say they despise the Russians.

"There is lots of wishful thinking that every Ethiopian is itching to get the Russians out," a diplomat said. "They will stomach the Russians for quite some time."

There is no question, however, that the honeymoon in Ethiopian-Soviet relations brought about by this assistance now is over. Observers here say Ethiopia wants to demonstrate that it will take aid where it can get it but intends to retain its nationalistic character.

The problems that used to be blamed on Americans are now blamed on the Russians, an official noted with a sense of irony.

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Residents say it is common for Ethiopians to rebuff Russians, for merchants to refuse to sell them items or for parents to refuse to allow their children to play with Soviet youngsters.

For the most part, the 1,500 Soviet civilian and military advisers and 11,000 Cuban troops keep a low profile in Addis Ababa, living in separate housing projects. They are much less visible than in Angola, the other African Marxist country where there is a major Soviet-Cuban presence.

Aside from weapons, Moscow provides one other key element of assistance: oil, at a preferential price of about \$28 to \$30 a barrel. But the amount satisfies only about 70 percent of Ethiopia's needs and is provided on the basis of a one-year contract, forcing regular appeals to the Kremlin.

Soviet development aid is limited to plans for a 25,000-acre cotton project, a hydroelectric dam and a cement plant. Work has not started on any of the projects and some have been planned for years.

Unhappy With Offer

The chairman of the ruling military council, Mengistu Haile Mariam, was unhappy at the amount of Soviet aid proffered during his visit to Moscow in November, 1980. That set the stage for the pact with Libya. Ever since the treaty was signed in August, there have been rumors that Libya would provide Ethiopia with \$1 billion in assistance.

Informed sources discount the rumor, but there are persistent reports that Ethiopia already has received up to \$150 million. Foreign Minister Felice Gedle Giorgis will only say that the two countries will cooperate on joint projects. One is believed to be a sugar refinery.

It is unlikely, however, that the relationship will be smooth between the radical Arab government of Col. Moamer Qadhafi and Ethiopia, with its centuries of hostility toward the Arab world.

U.S.-Ethiopian relations are complicated by Washington's global concerns, mainly the worries about the presence of Cuban troops and the desire to use military facilities at Somalia's port of Berbera, less than 100 miles (160 kilometers) from the Ethiopian border.

U.S. military maneuvers there late last year led to protests from Ethiopia and the implied threat to break relations.



PRETORIA HOLDS BRITON — Norma Kitson displays a picture of her son, Steven, who was arrested last week in Pretoria, at a press conference in London. South African police said that her son was suspected of helping to plot a breakout of jailed nationalists from the prison where his father, David, is being held. David Kitson is serving a 20-year sentence for plotting sabotage against the state.

2 Yemens Reported To Agree on Merger

The Associated Press

ADEN, Southern Yemen —

The Red Sea republics of Saudi-backed North Yemen and Soviet-supported Southern Yemen have agreed on a draft constitution for their merger into a single state, according to a Southern Yemeni spokesman.

The spokesman, Abdullah Ghaniem, said Saturday that the draft constitution provides that Islam will be the official religion and the North Yemeni capital of San'a the seat of government of the United Yemeni Republic.

For nearly two decades the two governments have been conducting military talks as military skirmishes occurred intermittently along their border.

Mr. Ghaniem is the secretary of the presidium of the Supreme People's Council. Southern Yemen's parliament, and led his country's delegation in recent talks with North Yemen on the draft constitution.

The draft has been submitted to legislative and executive bodies in both countries for ratification, and a date will be set later for a referendum in both countries for final approval, Mr. Ghaniem added.

He said the legislative powers in the unified state will be held by an elected parliament and the judicial system will be headed by an elected attorney general. Executive powers will rest in a council of ministers. Mr. Ghaniem said, but he did not say how the Cabinet would be formed.

Southern Yemen, which in 1980 signed a 20-year treaty of friendship and cooperation with the Soviet Union, is the only Marxist-governed state on the Arabian peninsula. Aden, its capital, is a vital port of call for the Soviet Navy in the Indian Ocean, and its 24,300-man armed forces are equipped exclusively by the Soviet Union.

North Yemen relies heavily on financial assistance from neighboring Saudi Arabia. Its 32,100-man armed forces are equipped by both the Soviet Union and the United States.

Both Yemens were classified by a recent United Nations survey as among the 31 poorest nations of the world. But they are strategically located at the southern entrance to the Red Sea, a shipping lane leading to the Suez Canal and the West.

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INTERNATIONAL HERALD TRIBUNE

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We would like to thank our many readers who purchased the 1982 IHT Pocket Diary. We regret that, due to the unexpectedly enthusiastic demand, we were not able to fill all orders.

Checks received after December 16 are being returned with our apologies. Next year we will, of course, increase the print run in the hope of satisfying all requests.

In the meantime, many thanks and best wishes for a prosperous 1982.

Bruce Singer
Special Projects Editor

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The Kennan Doctrine

George Kennan has the courage of Helmut Schmidt's convictions and makes what case there is for acquiescing in Poland's suppression. He says that the Soviet Union will always risk more to keep Poland supine than the West should risk to make it freer, so why impose sanctions that can only damage the peace of Europe?

One answer is that his premise is wrong. Peace requires a productive Poland as much as a docile one. And Moscow needs the West to make Poland productive.

A more important answer is that acquiescence undermines the value system of modern societies. Even Kennan and Schmidt are uncomfortable arguing that might deserves to prevail, so their acquiescence leads them to contend that might should at least define right in world affairs.

Thus they argue that Soviet security is a higher imperative than Polish or Western sensibility. They even struggle to deny the Soviet hand in the Polish crackdown: Asking that Moscow order Warsaw to reverse course is, in Kennan's logic, granting the Kremlin the very authority over Poland that "we profess to deplore." And they rush to blame the victims for their oppression, berating Solidarity for misjudging the limits of Communist tolerance.

But so long as Communists do not themselves pose rules for a loyal opposition in their societies, the limits on their tyranny can only be prescribed from outside, by the larger culture to which they belong. And the more they mock the meaning of sovereignty, the harder other nations should strain to give it force.

When people in the Soviet sphere see what their system produces compared with the West's and then rise in rebellion, the threat to Soviet security can be said to lie in every prosperous democracy. As the Helsinki accords declare, there is no safe way to divide Europe without maintaining an active concern for the quality of life in both halves.

The West can be faulted for mismanaging its interests in East Europe. It lent \$70 billion

to help make the Soviet system work, but got no political or commercial collateral. The allies are torn even now by the lure of selling grain or buying gas. Reagan's sanctions may thus prove too modest or be undercut by others. But that does not discredit his impulse to proclaim his values and to give the resisting Polish people something to bargain with.

It is simply not true that Solidarity's extremism provoked the terror. What strength they gained came from the government's refusal to honor even its modest concessions to the union. Solidarity did not overthrow the Communist Party; the party collapsed of its own dead weight. The union never challenged Poland's pro-Soviet foreign policy.

What was threatened in Poland was not geography, nor the security of Soviet borders, but ideology. The Soviet system of concentrating power in a Communist oligarchy. That system destroys initiative everywhere and thus produced Solidarity in the first place. It will never succeed in a modern economy until it makes peace with the people it governs.

Left to their own devices, Polish Stalinists will now maintain the terror until they find new opportunists willing to reconstitute the party and form a bogus Solidarity. Western "realists" will then be asked to pretend that Poland has recovered its productive powers and to extend and enlarge its loans.

What President Reagan is struggling to assert is that the Polish economy and the Stalinist system are equally bankrupt. The idea behind sanctions is to stop throwing good money after bad until Moscow faces that fact.

If the suppression persists, a formal default will become inevitable anyway, damaging the Soviet bloc more than the West. But if Poland's junta is still free to seek a genuine accommodation with the genuine leaders of Solidarity, there are powerful reasons of state and humanity for the West to underwrite a Polish evolution. There will be time later for defeatism.

THE NEW YORK TIMES

Presenting Ian Paisley

The Washington Post asked Ian Paisley, an extremist Protestant member of the British Parliament from Northern Ireland, if he would like to say in print what he might have said in the United States in person had the State Department not denied him a visa last month. Mr. Paisley replied that he would, and his remarks appear on this page today.

It is shameful that the State Department, which had earlier — and equally wrongheadedly — barred one of Ulster's extremist Catholic M.P.s, bowed to congressional pressure and barred Mr. Paisley as well. Having offered him a forum, however, we feel no compunction whatever in adding this: What he says is, in the main, absolutely wrong.

To give him his due, Mr. Paisley has one fair point, beyond his complaint about being barred — a pity, by the way, that he does not also protest denial of a visa to his fellow M.P. He says that "IRA-linked" organizations in the United States have funded IRA terror. This is true. Despite efforts by police and Irish-American leaders to halt the flow, funds and in some cases actual arms have been obtained from the United States. Officials of the Republic of Ireland say flatly that Irish-Americans, often unwittingly, provide

more support for IRA terror than does the Communist-connected international terror apparatus on the left. If Mr. Paisley's taunt provokes greater U.S. vigilance on this score, so much the better.

His political views, however, are something else again. Mr. Paisley makes much of the determination of Ulster's Protestant majority to hold on to Britain. He utterly ignores his community's role in systematically discriminating against Ulster's Catholic minority over the decades and thereby bringing the whole pot to a boil. He ignores as well the terror emanating from the Protestant side. No single person has done more to undermine would-be moderates in Northern Ireland. Protestant as well as Catholic, and to nullify attempts by Britain — another is currently in train — to find a path of compromise through the bullets and the bombs.

Mr. Paisley's talent at playing on the civil libertarian sympathies of Americans is there in his piece for all to see. What is not there to see is the political vision and courage that are the necessary ingredients of any turn toward peace with justice in Northern Ireland for all its citizens.

THE WASHINGTON POST

Dickens on the Crisis

Today's homily on the state of the U.S. economy is contributed by Charles Dickens, who followed the subject more closely than you might think. The present situation, as the Reagan administration explains it, is that (a) the recession is going to get a good deal worse but (b) things will eventually get better and (c) the dire state of the economy urgently requires profound reforms although (d) everything now depends on its underlying strength.

Dickens acquired a strong impression of the U.S. economy from his first visit, and reflected it in "Martin Chuzzlewit," published in 1844. Martin sails to the United States, and the following passage finds him in a New York boarding house, talking with several men with military titles, and a couple of newspapermen — the editor of the New York Rowdy Journal and its chief correspondent, Jefferson Brick:

"You have come to visit our country, sir, at a season of great commercial depression," said the Major.

"At an alarming crisis," said the Colonel.

"At a period of unprecedented stagnation," said Mr. Jefferson Brick.

"I am sorry to hear that," returned Martin. "It's not likely to last, I hope."

Martin knew nothing about America or he

would have known perfectly well that if its individual citizens, to a man, are to be believed, it always is depressed, and always is stagnated, and always is at an alarming crisis, and never was otherwise, though as a body they are ready to make oath upon the Evangelists at any hour of the day or night that it is the most thriving and prosperous of all countries on the habitable globe.

"It's not likely to last, I hope," said Martin.

"Well!" returned the Major. "I expect we shall get along somehow and come right in the end."

"We are an elastic country," said the Rowdy Journal.

"We are a young lion," said Mr. Jefferson Brick.

"We have revivifying and vigorous principles within ourselves," observed the Major. "Shall we drink a bitter before dinner. 'Colo-'"

When the book first appeared, Americans denounced it as a grotesque and unfair caricature. As time passed, people decided that perhaps it wasn't entirely grotesque. Then they began to wonder whether it was really unfair. Now you'd have trouble convincing anyone that it's even a caricature.

THE WASHINGTON POST

Jan. 11: From Our Pages of 75 and 50 Years Ago

1907: Interests in the Gulf

LONDON — At a meeting of the Central Asia Society, Mr. Archibald J. Dunn dealt with the subject of "British interests in the Persian Gulf." Mr. Dunn said that for half a century they had seen the stealthy but persistent advance of the Russians in Central Asia, and another danger had arisen in connection with Turkey and Germany. The Kaiser had secured advantages which made him practically master of Asia Minor, especially in regard to the Baghdad railway. Sir Edwin Collin, the chairman of the meeting, said he thought an understanding with Russia was the possible. Mr. Ross, M.P., said he believed the death of the Shah of Persia would be fraught with no disadvantage to Britain.

1932: German Reparations

PARIS — German chancellor Brüning threw a bombshell into international affairs by declaring that Germany is not able, and never will be, to pay war reparations. "It is perfectly clear," the chancellor said, "that the situation in Germany places it in the impossibility of continuing to make payments of a political nature. It is equally clear that any attempt to perpetuate a system of payments of this kind will inevitably lead to the ruin not only of Germany but of the whole world." The chancellor's remarks come two weeks before the opening of a reparation conference in Lausanne. France intends to go on with the conference and is considering economic pressure against Germany.

State Department Hypocrisy in Denial of Paisley Visa

By Ian Paisley

The writer is a Protestant leader in Northern Ireland and a member of the British Parliament. He wrote this article at the invitation of The Washington Post.

BELFAST — The recent revocation of my visa by the U.S. State Department not only denies me, as an elected public representative from Ulster, the right to put my views to the American people on an issue about which the U.S. government has been concerning itself, but more seriously it denies the majority of unionist people in Northern Ireland, whom successive election results show I have the honor to lead, even the right to have their case heard. So the decision of the State Department is a calculated slur upon the majority community in Northern Ireland.

This denial of freedom of expression not only repudiates the time-honored reputation of the U.S.A. as the country of freedom, but it contrasts sharply with the official attitude in the cause of Irish Republicanism. For instance, the terrorism of the IRA has been

greatly assisted by the continuing refusal of the U.S. government to sanction the sale of much-needed weapons to the police force of Northern Ireland, the Royal Ulster Constabulary. At the same time IRA-linked organizations in America have continued to collect and send millions of dollars to Northern Ireland for the purchase of further weapons of terror. Meanwhile, numerous apologists for the IRA have come and gone to the U.S.A. at will, especially over the past year during the IRA hunger strike campaign.

Add to this the recent declaration in Dublin by the then-Deputy Secretary of State William Clark that all Americans are praying for the unification of Ireland — that is, the ending of my province as a separate British entity in Ireland — and the imbalance and bias in the American stance, which is compounded by the revocation of my visa, is as obvious as it is overwhelming.

Furthermore it should be noted

that those in Congress who were active in campaigning against my proposed visit, such as Rep. Mario Biaggi, have themselves traveled to and from my country in order to express their views on our internal affairs without hindrance. Little wonder then that many detect a high degree of callous and hypocrisy in the State Department's stance and that all the leading London papers, including The Times and The Guardian, have attacked the message of Ulster unionism — has been grossly misrepresented as one of bigotry and intolerance and as devoid of reason or logic.

By far the most alarming aspect of this whole affair is the statement by State Department officials that my presence in the U.S.A. would be "contrary to American foreign policy interests." Since my only purpose in visiting America was to present the unionist viewpoint on the Ulster situation and in plead for an end to the flow of dollars that is enabling the IRA to murder the innocent people of Northern Ireland, I find it difficult to contemplate what the foreign policy interests are that my

visit would offend, unless they are those of helping the IRA to victory.

The message I wish to present to the American people is a message which, by and large, they have never fully heard. Indeed, by virtue of the orchestrated propaganda of certain Irish-Americans and other IRA sympathizers, this message — the message of Ulster unionism — has been grossly misrepresented as one of bigotry and intolerance and as devoid of reason or logic.

In reality, however, the opposite is true in regard to the case of the Ulster majority. Our case is simple. Northern Ireland, in contrast to the rest of Ireland, has been peopled by those of British extraction and governed as part of the United Kingdom for almost as long as the U.S.A. has had its independence. And above all it should be understood that Northern Ireland remains part of the United Kingdom because that is the undeniable wish of the vast majority of the people of Northern Ireland.

We remain British not by compulsion but by choice. It is not British troops that keep us British but the freely expressed will of our people through the ballot box.

When in 1921 the south of Ireland decided to secede from the United Kingdom, the north opted to remain as it was — a full part of the U.K. In exercising that right we were only exercising one of the most fundamental rights of all — the right of self-determination.

It is the refusal of a small Republican minority within Northern Ireland to accept Northern Ireland's right to remain British in accordance with the will of its people which has, through the IRA, led to the infliction of horrific terrorism upon the people of Northern Ireland in an effort to force them to join in an all-Ireland Republic. What the IRA and Irish Republicans have failed to achieve through the ballot box they are seeking to obtain through the bullet and the bomb.

The struggle in Northern Ireland therefore is about the defense of democracy against the forces of sheer terror. The people of Northern Ireland ask only to be entitled to decide their own destiny, free from terrorism and external interference.

Democratic Role

This refusal by a section of the minority community to accept the state of Northern Ireland contrasts sharply with the constructive and democratic role played by the Protestant minority in the south of Ireland, and this in spite of the near-total eradication of that Protestant minority. Whereas the Roman Catholic population in Northern Ireland has increased significantly since partition, the Protestant minority in the south has been reduced over the same period from 10 percent to less than 4 percent of the population.

There can be no doubt as to the Ulster people's wish to be governed, since no later than May, 1981 — the last time they went to the polls — parties supporting union with Great Britain received over 70 percent of the vote.

Given the overwhelming determination of the people of Northern Ireland to remain British and the terrorism they have suffered as a consequence, it is little wonder that remarks such as those by Mr. Clark are deeply resented as encouragements to the terrorists and are viewed as an unwarranted attack upon the right of self-determination by the people of Ulster.



Moving the PLO Beyond Being a Symbol of Arab Cause

By William R. Brown

The writer is dean of the School of Arts and Sciences of Central Connecticut State College. He contributed this article to The Washington Post.

NEW BRITAIN, Conn. — Once again President Reagan is being advised to initiate talks with the Palestine Liberation Organization. No doubt something can be said for this move as a way of getting the Middle East peace talks off dead center. But is that all there is to it? Even if the situation suggests that Reagan needs such plies, are there arguments favoring prudence that do not rely exclusively on Israeli reasoning?

Through the loss of their homeland the Palestinians became the ultimate symbol of Arab sacrifice and, therefore, of Arab national purpose. What Nazi extermination camps had done for the Jewish nation, the Palestinian refugee camps did for the Arabs. Both peoples sought redemption through strength. For the Jews, it was building a pioneer society that ignored those whom Herzl himself referred to as "the possessors of the land." For the Arabs, it has been to compel the Israelis to accommodate the Palestinians, whatever the cost.

The basis for this behavior may be unique. For Arabs, the state and the nation are not conterminous. Being leader of a state does not ensure command of the great overarching allegiance provided by the Arab nation.

Rocky History

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British Productivity on Rise As Struggling Firms Trim Fat

By Steven Rattner

New York Times Service

LONDON — At first glance, the result of Prime Minister Margaret Thatcher's bold economic experiment seems a landscape of devastation. From an 11.5-percent unemployment rate, more than double what it was when she arrived, to a 15-percent drop in manufacturing output, the overwhelming impression is of a teetering economy dealt a near-fatal blow by her policies of austerity.

Yet, beneath such dismal statistics, and beneath the equally dismal outlook for jobs projected by most economists, lies a bright gleam of hope. Productivity, the bane of British economic performance for decades, has begun to show some improvement.

For the businessmen, economists and plain ordinary citizens, debating whether the Tory leader has made British industry sicker and sicker — or just thinner — the signal in the productivity figures is that the country may now be better able to compete in world markets.

Recovery Seen

Output per worker, which had dropped 6.5 points from the time that Mrs. Thatcher took office in 1979 to the depths of the 1980 recession, has rebounded to an index level of 120.9, for a net gain of almost a point since her accession. In manufacturing alone, excluding the oil and gas sector, the rebound has amounted to 9.5 points since the fourth quarter of 1981.

Mrs. Thatcher and her aides have seized on such figures as a demonstration that the economic pain they have inflicted has had its purpose. "We have recovered a significant part of the ground lost in

competitiveness in the previous two years," proclaimed John Biffen, the trade secretary, in a recent speech. "The road to export-led recovery is no longer a mirage."

To be sure, there are many who remain convinced that the Thatcher experiment is a disaster.

Virtual no one expects British manufacturing output to return soon to anything approaching past levels. A number of experts argue that Mrs. Thatcher's encourage-

ment of the runup of the pound to a peak of \$2.45 late last year helped eliminate industrial capacity that would have been productive at a more modest exchange rate more closely related to Britain's true competitive ability.

"Industry is sicker rather than fitter," said Paul Neild, chief economist at Phillips & Drew, a stock brokerage. "Quite a lot of industry has closed that might have been able to be saved."

A somewhat separate camp of critics questions whether the loss of capacity, and of production, is really worth an improvement in productivity that may well prove fleeting. In the past, Britain has flirted with conservative economic policies that have promised efficiency gains only to see improvement dissipated by a succeeding government's efforts to stimulate economic growth.

Nor should the extent of even the productivity improvement be overstated. The British perform-

ance leaves it substantially behind other industrialized countries. As a telling point, analysts often cite British Airways, the troubled state-owned carrier. Even after a reduction of 7,000 workers, which is now under way, the company still expects to have only 102,000 ton-miles of capacity per employee. By comparison, Pan Am estimates that it will end up with 275,000 ton-miles per employee.

Nevertheless, the bright signs are helping to lighten the national mood.

Courtaulds Rebound

Businessmen and economists who supported Mrs. Thatcher's efforts had argued that a fitter British industry had the potential for exceptionally fast recovery in profit. That view may now be being vindicated.

For example, textile manufacturer Courtaulds, which has shut about 20 big factories, cut 35,000 persons from its labor force and dropped out of nylon fibers, recently reported that its earnings for the half-year ended Sept. 30 totaled \$40 million. That was up from a paltry \$9.4 million in the full year ended March 31.

The rise in British productivity has even reached certain of the state-owned companies. BII Ltd. is now producing more cars than it did a year ago — with 30,000 fewer workers. At British Steel Corp.'s Port Talbot complex in Wales, the number of munitions needed to produce a ton of liquid steel has been slashed to 5.2 from 10.

Changes in the working atmosphere are evident from the plant floor to top executive suites.

Absenteeism among workers, which often ran at 10 to 20 per-

(Continued on Page 11, Col. 3)



Assistant Attorney General William Baxter (left) and AT&T Chairman Charles Brown shook hands after announcing a settlement in the 7-year-old antitrust suit against the company.

AT&T Says It Saw Writing on Wall

By Andrew Pollack

New York Times Service

NEW YORK — American Telephone & Telegraph Co. agreed to dismantle its telecommunications empire in part because it disliked the direction of legislation pending in Congress and also because of a recent Federal Communications Commission order, the company's chairman, Charles L. Brown, said in a weekend interview.

Mr. Brown also said that the settlement announced Friday, of the government's 13-year-old antitrust suit "would lift a giant cloud" over the company and allow it to enter such new businesses as data processing.

The settlement calls for AT&T to divest itself of its 22 operating companies, which provide local telephone service, in exchange for ending a 1956 agreement restricting AT&T's entry into new businesses.

In an interview in his Manhattan office, Mr. Brown also said: "AT&T intends to offer customer equipment, such as telephones, and new unregulated services, such as data processing, through a subsidiary distinct from its long distance operations, which are to be divested."

• Long distance rates are unlikely to decline, but perhaps they will not rise as fast as inflation.

By itself, the settlement will not lead to higher local rates; they were in fact bound to rise whether or not the settlement was reached.

Both the FCC and any prospective legislation in Congress would allow AT&T to offer equipment and unregulated services if it set up such a separate subsidiary. But Mr. Brown said the proposed legislation also contained excessive restrictions on company operations.

"The FCC and any prospective legislation on both sides of the house involved a great many restrictions that made it difficult to run this business," he said.

But he also acknowledged that some of the closed factories have been mothballed, for quick reopening. "We are well-based for an upsurge," said Sir Arthur, who rejects contentions that the country's industrial base has been decimated. "Prudent management always keeps something in reserve."

Wedgewood Strives for Efficiency

New York Times Service

STOKE-ON-TRENT, England — In the airy Wedgwood Ltd. factory here, mechanics were struggling hard the other day to adapt a restaurant dishwasher to the task of removing minute particles of abrasives from partly finished plates.

Once they succeed in switching to the process, two workers who currently remove the particles by hand will be out of jobs — and the company expects to cut the rejection rate on plates from 5 percent to 1 or 2 percent.

By such steps Wedgwood has emerged as a leader in the struggle to improve British productivity. In the past 2½ years — almost precisely the period of Prime Minister Margaret Thatcher's tenure — the company has cut its work force at this flagship facility by 500, to about 1,200, while maintaining the same productive capacity.

"We found ourselves two years ago having to institute measures that were going to protect the long-term interest of the company," said Sir Arthur Bryan, the chairman. "We started early and we're hoping the benefits early."

Machines now paint lines on plate edges that formerly had to be done by hand. Other items are now sprayed automatically with glaze instead of having to be dipped by hand. Reorganization of production lines has cut unnecessary steps that no one had bothered to eliminate before.

About a year ago, Wedgwood embraced the newly fashionable concept of quality circles, where workers can discuss with managers ways of improving the product. The result included a new method of marking hand-painted chinaware that has saved an estimated 15 pieces a week from rejection. Improvements to date are saving more than \$20,000 a year.

The company has paid a price. Earnings last year dropped by 87 percent at five particularly inefficient plants were closed and the work force was slashed to 7,000, from 10,500 less than three years ago. While only 15 percent of productive capacity has been lost, efficiency has improved markedly and this year profits have been recovering.

Kaufman's Gloom Shakes Uncertain Market

By Carl Gewirtz

International Herald Tribune

PARIS — Henry Kaufman did it again. The Salomon Brothers economist, bearish as usual, forecast long-term dollar rates this year that would test the record highs set last year and sent prices of dollar securities skidding on Wall Street and in Europe.

Some observers were surprised that the reiteration of his well-known views could have such a dramatic effect on prices. The point they missed was the numbers he put out demonstrating — in his view — the inevitability of a clash between the heavy demand for cash with the insufficient supply of funds.

On a more positive note in the gloomy forecast, Mr. Kaufman said short-term rates are unlikely to approach last year's record levels though they would remain volatile.

EUROBONDS

ries at a profit and the markets can operate smoothly.

Provided, of course, borrowers are willing to issue long-term paper at astonomic levels.

Mr. Kaufman's remarks is his forecast that none of this will start to happen before mid-year at the earliest. Thus, between now and then short and long rates can be expected to drift lower — the natural ef-

fect of the economic slowdown under way in the United States.

In essence, Mr. Kaufman argues that the Federal Reserve has veered away from its strict monetarist approach to concentrating on getting the economy moving. But when that happens the Fed will become less accommodating.

On Friday, the Fed reported that the basic measure of the U.S. money supply, the M1-B fell a modest \$1.4 billion in the week ended Dec. 30, reversing a similar upswing in the previous week.

Caught between the prospect of high interest rates later this year and a likely decline in rates until then, potential borrowers have decided to wait for the imminent decline rather than rush to borrow before the upturn. The Eurobond calendar for fixed-rate dollar debt is empty.

Investors, meanwhile, were not rushing to buy up what paper is

available in the secondary market. They seem to be focusing beyond the coming trough to the expected record high yields later in the year. Bankers report their customers are keeping liquid.

Prevailing Uncertainty

A substantial volume of money is theoretically available for investment this month and next. According to data compiled by Orion Bank (now Royal Bank Ltd.), payments of interest and principal on outstanding Eurobonds totals some \$1.5 billion this month and \$2.1 billion in February.

For their part, investment bankers are in rare agreement in condemning the absence of any new fixed-rate dollar issue. Their common complaint is that they just do not know "where" the market is. There are enormous aberrations in prices of seasoned issues on the secondary market.

Yields on five-year paper of roughly comparable quality range from 15.22 percent (Montana Pow-

(Continued on Page 11, Col. 2)

Brazil, which already pays far more than any other country to borrow in the Euromarket (a margin of 2½ points over Libor), is at the top of this list. Bankers now talk about extending new loans only to replace maturing debt and insist that increasing the size of their exposure to Brazil is out of the question regardless of how much Brazil is willing to pay.

Mexico, consistently the largest borrower in this market (\$7.5 billion last year, second to the much distorted \$34 billion taken by major U.S. corporations) is also now running into opposition. With nearly \$30 billion of debt outstanding and exceeding around a further \$1 billion this year, Mexico has fallen out of favor as the price of oil has failed to keep increasing.

This is because Mexico is com-

(Continued on Page 11, Col. 1)

SYNDICATED LOANS

year and bankers assert this will be amplified this year.

The situation in Poland has certainly contributed to this view as bankers now face the possibility of having to write off the \$16 billion owed to them. In addition, bankers increasingly talk about having reached their self-imposed limits on how much they are willing to lend certain countries.

For their part, European and

High Rates Keep Borrowers on Sidelines

By Carl Gewirtz

International Herald Tribune

PARIS — Business is off to a slow start in the Euromarket. Borrowers are not rushing to arrange new bank loans and bankers are not falling over themselves trying to line up customers for new syndicated credits.

Although credit needs are estimated to remain very large, borrowers are reported to be holding back on the expectation that interest rates will decline in the wake of the deepening U.S. recession.

For their part, European and North American bankers avow that they are not terribly interested in making new loans unless margins and/or commissions paid by the borrowers are increased. This, of course, is a refrain bankers sing at the start of every year and almost every year the volume of lending has increased without sub-

stantial improvement in profitability.

But bankers this year are convinced that the cost of new loans — the margin of 2½ points over Libor, is at the top of this list. Bankers now talk about extending new loans only to replace maturing debt and insist that increasing the size of their exposure to Brazil is out of the question regardless of how much Brazil is willing to pay.

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Antitrust Actions Pave Way For IBM-AT&T Showdown

By Leonard Silk

New York Times Service

NEW YORK — The agreement by American Telephone & Telegraph Co. to give up its local operating companies as part of a settlement ending the government's antitrust suit, combined with the Justice Department's decision to drop its antitrust suit against the International Business Machines Corp., promises to accelerate the communications revolution in the United States and globally.

At the same time, these moves to deregulate the communications industry are likely to open up a ma-

Terms of U.S.-AT&T Accord

Washington Post Service

WASHINGTON — Here are highlights of the Justice Department's antitrust settlement with American Telephone & Telegraph Co.:

- AT&T must divest itself of the local telephone services of its 22 Bell System operating companies.
- Western Electric, Bell Laboratories and the long-distance division of AT&T will be retained by AT&T. All intrastate long-distance service will be turned over to AT&T by the local companies.
- AT&T no longer will be barred from offering unregulated non-telephone services, thereby opening the way for the corporation to enter the computer processing and information service business.

- Local telephone companies divested by AT&T will be required to share their facilities with all long-distance telephone companies on the same terms.
- Local companies will be barred from discriminating against AT&T competitors in buying equipment and planning new facilities and services.

- AT&T shareholders will retain stock in AT&T and will be issued proportionate values of shares in the local exchange companies.
- To enforce the agreement, the Justice Department will have visiting rights at the local operating companies to interview employees and review the books.

NEWS ANALYSIS

for battle among behemoths in the marketplace, the impact of which promises to be highly uneven on different customers — personal and business — and on the competitors for shares of the market in communications, data processing and the manufacture of equipment.

More Than Just Size

The twin moves, announced within hours of each other Friday, represent the most dramatic actions thus far by the Reagan administration to carry out its philosophy that the role of the government in the marketplace should be shrunk severely, in the belief that competition, even among giant corporations, will best serve consumers by increasing efficiency and stimulating innovation.

Assistant Attorney General William F. Baxter conceded Friday that "there is a sense in which the antitrust division is backing off" from policies of earlier administrations, but he contended that the law had been pushed in directions contrary to what he regarded as its proper values and goals.

The Justice Department had indicated that it would drop its suit if suitable legislation passed. In that event, AT&T would have been able to clear up the suit while remaining intact, Mr. Brown said, because the legislation did not require the company to split up.

Yet, he added, such a solution will not have eliminated a 1956 court decree in which the company had consented to a restriction allowing it to provide only regulated telephone services. In addition, the legislative solution began to look less favorable for the company as the various bills took on a more restrictive pattern and as the chances of early passage seemed to recede.

Mr. Brown contradicted the widespread speculation among industry analysts that AT&T settled the case because it could have lost the case if it had not.

In that connection, he also discounted the impact of an opinion issued in September by Judge Harold H. Greene, the Federal District Court judge presiding over the antitrust case. Denying a motion by the telephone company to dismiss the suit, Judge Greene said there was evidence that AT&T had violated antitrust laws.

The telephone company chairman said he still saw the need for Congress to rewrite the outdated 1934 law that governs the industry. But he said both the FCC and Congress would probably want to review their work so far, since the settlement produced so many changes in conditions and removed many fears that Bell would need to be heavily regulated.

Mr. Brown said AT&T would form a separate subsidiary to provide customer equipment and unregulated services, even if the FCC or Congress did not order it. "I think it's in our best interest, regardless of legislation, to assure the public, the legislators and the regulators that there is no cross-subsidy between the regulated and the unregulated businesses."

EEC Official Angered by Steel Decision

The Associated Press
BRUSSELS — The EEC's chief industrial executive has reacted angrily to a decision by U.S. steel companies to file anti-dumping suits to block European steel exports to the United States.

Industrial Commissioner Etienne Davignon issued a statement Saturday calling the decision "deplorable," and said European exporters were being blamed for a steel slump they did not cause.

He said U.S. and EEC officials had tried to negotiate a solution to the steel dispute, but added: "All these efforts have been stymied by the intransigence of the American industry, which apparently seeks to obtain limitations of exports from the Common Market at a level drastically reduced from the traditional European exports to the American market."

He said the commission informed the 10 Common Market governments of the "lamentable" decision and said steps would be taken to prevent it from harming the Common Market steel industry and its workers. He did not say what steps.

U.S. Commerce Secretary Malcolm Baldrige announced on Friday that the U.S. steel industry, unimpressed by assurances from European competitors on future pricing, planned to file suit alleging unfair trade practices by the Europeans.

Mr. Baldrige said the suits would force the U.S. government to suspend the trigger-price mechanism governing imported steel. He said U.S. officials urged European firms to abide by the system, but that the European governments "failed to convince the American industry that the [trigger-price mechanism] can continue to be an effective means of enforcing U.S. trade laws."

Mr. Davignon said the decline in world markets for steel, not European imports, is the cause of the problems faced by U.S. steel companies. He said demand for the steel in the United States fell 20 percent in the two years ending in 1981.

Kaufman's Gloomy Rate Outlook Shakes Uneasy Market

(Continued from Page 9)

er) to 15.70 percent (Caterpillar Tractor). On longer dated paper, the difference ranges up to a full percentage point. The seven-year paper of double-A rated Du Pont is yielding 15.24 percent while Household Finance yields 16.46 percent. Among 10-year issues, National Westminster is yielding 15.29 percent compared to 16.21 percent for the European Investment Bank.

"There is a tremendous spread in yields and anyone pricing a new issue off the secondary market is going to be in for a rude shock," comments one banker. "What we desperately need is some benchmark, a bellwether issue to establish where the market is."

What is certain, bankers say, is that Eurobond yields generally are lower than in New York and this, again theoretically, should attract U.S. borrowers to this market.

French Success

One indication of investors' preference to remain relatively liquid was the enormous success of the floating rate note for Banque Francaise du Commerce Exterieur. Launched for a face amount of \$250 million, the issue was closed

at \$400 million — the largest ever FRN. Interest on these five-year notes will be set at a quarter point over the average of the bid and offered rate for six-month Eurobonds.

Lead manager Credit Suisse First Boston reports that over half the issue was sold to nonbank investors.

While French banks rejoiced at the very favorable reception given to a French government guaranteed issue, they also said it was no surprise since the terms were needlessly generous.

Reported to be coming are floating-rate notes for two Italian borrowers, Anas (a highway agency) and STET. Spain is also planning to tap the market, although it is not yet clear whether this will be a float or a fixed-rate issue.

A hybrid fixed-rate convertible is being offered by Mitsubishi Chemical Industries. The Japanese company is seeking \$50 million for five years. A coupon of 11 to 11½ percent is being indicated and the paper is being offered in denominations of \$5,000. Each note carries a five-year detachable warrant to purchase Mitsubishi Chemical shares at a price expected to be about 2 percent over the stock.

The issue with warrants was quoted on a when-issued basis Friday at 99%. Without the warrants, the bond was quoted at 93% and the detached warrants were quoted at 15%. Final terms are to be set Tuesday.

Japanese Issue

Orient Finance is offering \$60 million of 15-year classic convertibles, bearing a coupon of 5½ percent. The bonds will be convertible into the consumer credit company's shares at an anticipated 3-percent premium over the Tokyo quote when final terms are set.

Nippon Electric plans to issue \$80 million of 15-year classic convertibles as does Tokyu Corp., a department store and railway operator, which will be seeking \$50 million.

The \$60-million convertible for Minco Resources Corp. is moving very slowly, managers report. The 15-year issue bearing an indicated coupon of 9½-9¾ percent (likely to be the higher in light of the weak demand) will be convertible into the mining and oil company's shares at an anticipated premium of 10 to 12 percent.

Also moving slowly is the \$50 million Canadian dollar issue for the National Bank of Canada. The

syndicate will offer the CDs to the syndicate, and then each member is free to try to market the paper.

In Latin America, Colombia's electricity agency, ICEL, is seeking \$30 million for 10 years, offering to pay 5% point over Libor. The loan is not specifically guaranteed by the government, which just recently paid ½ point over Libor for three years and ½ point over Libor for seven years on a \$200-million, 10-year loan.

In Spain, SEAT, 78-percent owned by the state holding company INI (which is guaranteeing the CDs), is seeking \$50 million for six years, offering ½ point over Libor.

The underwriting syndicate will buy the CDs from the ADB at a discount (unpublished) and stands ready to take the paper if purchasers are not found. The ADB will pay ½ point for the underwriting facility.

Aucasa, a Spanish highway agency, is seeking \$55 million for seven years. Half the loan is guaranteed by the government, on which banks will be paid ½ point over Libor. The margin on the unguaranteed half is set at 1½ point over Libor. A year ago, the guaranteed portion would have carried a ½-point margin.

India will tap the market later this month for its largest ever international borrowing — a jumbo estimated at \$750 million to \$1 billion.

The 10-year syndicated loan is targeted to help finance the construction of an integrated iron and steel mill and rolling plant at Paradip in Orissa state. Bankers say final details remain to be set but expect the margin to be a split ¾-¾ point over Libor.

Also in the works, bankers report, are jumbos of \$500 million for both Portugal and Spain and an expected \$500 million for Shell.

The difference between the two deals is that the Merrill Lynch group will attempt to sell the CDs or, failing that, wind up stuck with the CDs themselves, while the Amex deal obviously puts less hope on finding a market and sim-

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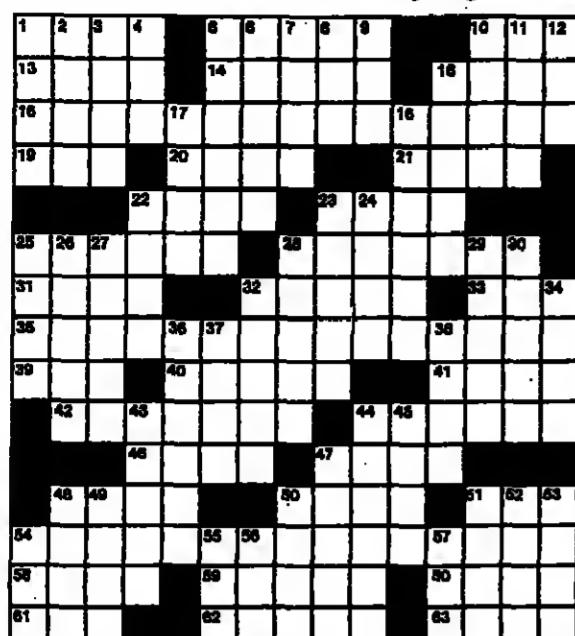
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CROSSWORD *Edited by Eugene T. Maleska*

ACROSS

- 1 hairy or hairless
- 5 One in a disguise, using his eyes
- 10 Human dynamo's asset
- 13 Desserts
- 14 Part of a portal
- 15 Porter who could carry a
- 16 Solomon's royal visitor
- 19 Do some sewing
- 20 Siders of sinking ships
- 21 Shrewd
- 22 City taken by Baber in 1526
- 23 Sigma Chi, e.g.
- 25 Tomes
- 28 Strongest parts
- 31 Grammatical goof
- 32 Medieval guild
- 33 Org. once headed by Dulles
- 35 Barely made it
- 36 Heston role
- 40 Has origin
- 41 Virginia willow
- 42 Most macabre
- 44 They make heaps
- 46 Map marking
- 47 Differ
- 48 Dexterous

DOWN

- 1 Essential part
- 2 Long
- 3 Abound
- 4 Marquard's "H.M. Pulham,"
- 5 Means for creating clippings
- 6 Statue in the Duomo at Florence
- 7 Tourist havens
- 8 What an analyst might inflate
- 9 Grid man
- 10 Donne, for one
- 11 German river
- 12 —soup
- 15 Rodeo area
- 17 Impulse
- 18 One eager to climb every mountain
- 22 Type of room
- 23 Banks of type

ACROSS

- 50 Zane Grey locale
- 51 Kind of plane or path
- 54 Where to see Eros
- 56 Projections
- 58 Musical work
- 59 Middle age, to Cato
- 61 Tool for a beakster
- 62 Netherlands sight
- 63 Singy

DOWN

- 24 —ha-Shan-sh
- 25 Window part
- 26 Wounded pride
- 27 Accustom
- 28 Midshipman
- 29 Part of a cobra
- 30 Al Kaline was one
- 32 German state
- 34 Exclamations of triumph
- 36 Bristle
- 37 German soprano
- 38 —to bed ..." (OPEC worker's slogan)
- 43 Berbers of Morocco
- 44 John Doe
- 45 Homeland of the thief of Baghdad
- 47 Border (on)
- 48 Ring decision
- 50 Feudal bigwig
- 51 Biblical book
- 52 Song heard at the Teatro San Carlo
- 53 Check for Rudolph
- 54 Kind of party given by Sam Adams et al.
- 55 Honorary deg.
- 56 Happy, in Le Havre
- 57 City on the Danube

WEATHER

	HIGH	LOW		HIGH	LOW	
ALGARVE	15	12	Fair	15	12	Overcast
ALHAMBRA	21	17	Cloudy	21	17	Overcast
AMSTERDAM	4	21	-7	14	10	Cloudy
ANKARA	21	12	Foggy	21	12	Cloudy
ATHENS	14	7	8	14	7	Overcast
AUCKLAND	24	15	12	25	12	Overcast
BAKU	14	10	Cloudy	14	10	Cloudy
BEIRUT	14	11	8	14	11	Cloudy
BELGRADE	4	25	-7	19	12	Snow
BERLIN	4	14	-12	5	4	Foggy
BERLIN	-11	1	10	11	1	Cloudy
BRUSSELS	3	16	-12	10	8	Cloudy
BUCHAREST	-7	19	-11	14	10	Snow
BUDAPEST	-7	19	-11	14	10	Snow
CAGDAIS	24	15	12	25	12	Overcast
CAPETOWN	21	17	12	25	12	Cloudy
CASABLANCA	21	17	12	25	12	Overcast
CHICAGO	21	17	12	27	17	Snow
COPENHAGEN	-10	14	-17	10	8	Cloudy
COSTA DEL SOL	14	10	7	14	10	Cloudy
DAMASCUS	14	57	3	27	12	Foggy
DUBLIN	-2	28	-12	5	2	Cloudy
EDINBURGH	-7	19	-11	12	10	Foggy
FRANKFURT	7	14	-11	11	10	Cloudy
GENEVA	4	18	-11	11	10	Cloudy
HELSINKI	4	18	-11	11	10	Foggy
HONG KONG	21	17	12	25	12	Overcast
HONG KONG	21	17	12	25	12	Cloudy
ISTANBUL	8	32	1	38	12	Cloudy
JERUSALEM	11	12	9	13	12	Cloudy
LAS PALMAS	23	27	11	32	10	Foggy
LIMA	22	23	17	22	12	Foggy
LONDON	4	28	-1	27	12	Snow
LONDON	25	27	1	27	12	Cloudy
LOS ANGELES	25	27	1	27	12	Cloudy

Readines from the previous 24 hours.

«All that sparkles isn't champagne.»

Herald Tribune wine columnist Jon Winroth brings you facts, tips and tales in this great new wine book



Jon Winroth lists half-a-dozen substitutes for champagne . . . then with wit and imagination, tells you when (and when not) to serve them! Just one example of the useful information which fills this brilliant and breezy book. Dedicated to the proposition that we can all get more fun out of buying, serving and drinking wine. *WINE AS YOU LIKE IT* reflects the anti-snob approach of a true professional, who believes that wine secrets are to be shared and not hoarded. A marvelous book to own or to give (or both!). Order today.

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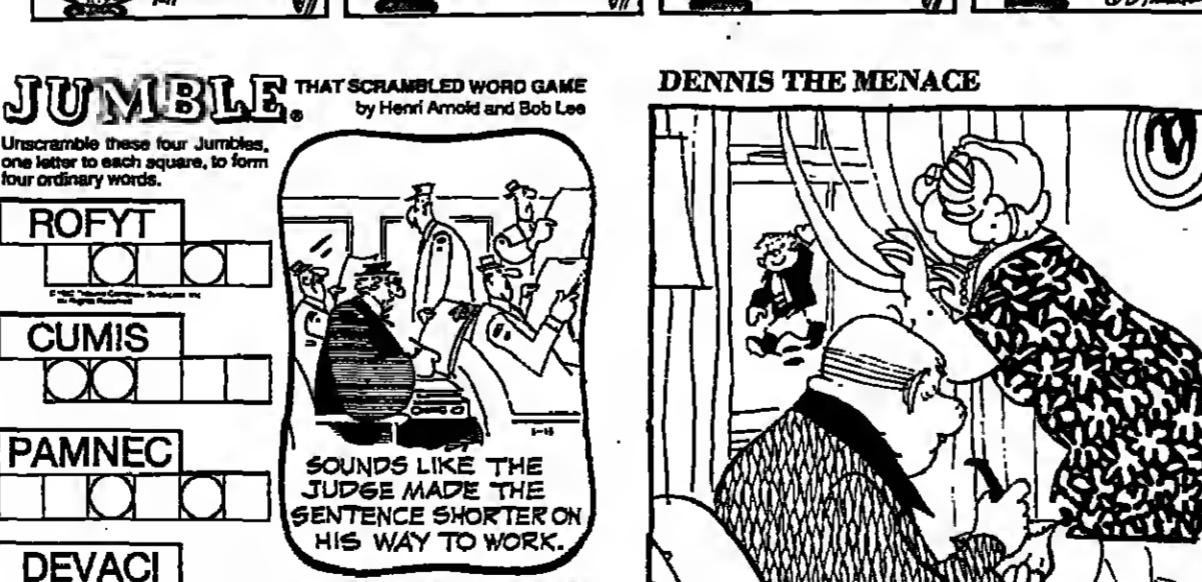
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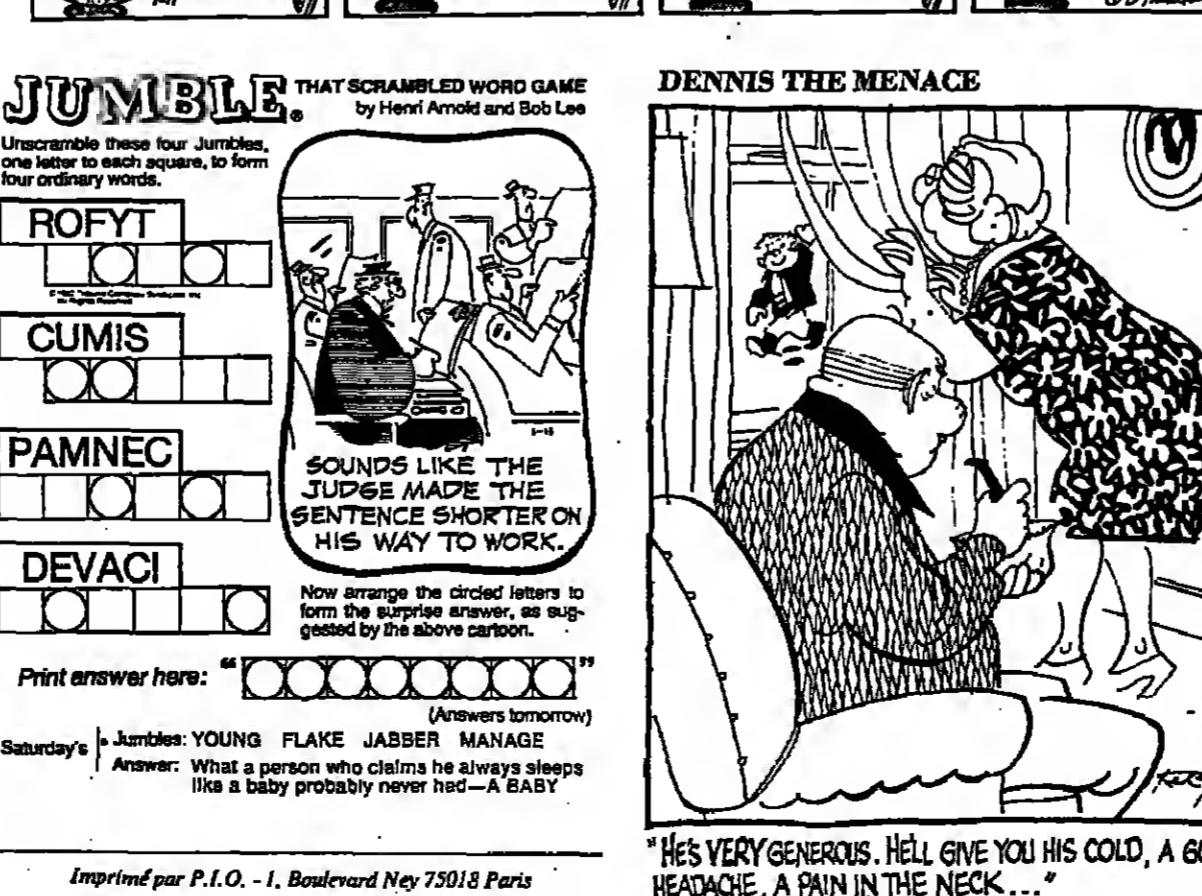
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JUMBLE



DENNIS THE MENACE



BOOKS

EDITH SITWELL. *Fire of the Mind*.

An anthology by Elizabeth Salter and Allanah Harper. 320 pp. \$15.95.

Vanguard Press, 424 Madison Avenue, New York 10017.

Reviewed by Michiko Kakutani

POET, essayist, critic, celebrity and oddball avatar of modernism, Edith Sitwell has begun to inspire a literary myth as durable as that of her contemporary Virginia Woolf. The past three years alone have witnessed the publication of a Sitwell family biography as well as two studies of Dame Edith herself. "The Sitwells belong to the history of publicity rather than of poetry," F.R. Leavis once remarked, and Dame Edith, for all her real accomplishments, has suffered the fate of a writer whose life elicits more interest than her work: though the details of her literary feuds with Wyndham Lewis and Noel Coward are now well documented, many of her 40-odd books are unavailable and her poetry is not widely read. Given such a state of affairs, the publication of a new anthology of her writings would seem a welcome event indeed — a timely opportunity to reassess her work and see just how well it has stood the test of time.

The relationship between her poetry and prose emerges — images of flowers, animals, waves and sleep, for instance, repeat and echo throughout her work — as well as her method of building images upon images. "Women like little ermines," she wrote in "Readers and Writers" in 1922, "walking between dark bushes that bear only the pearl-berries of the snow, under skies that are like the bitter, gilded ring of some rare and unattainable fruit."

Today, of course, such Baroque improvisations seem strangely artificial as much as an artifact from the Age of Romanticism as Dame Edith, with her Plantagenet looks and Gothic manner of dress, must have seemed, in her own day, an anachronism from the Elizabethan Age. The labored stylizations of her early poems, however, helped introduce a new musicality, a new concern with rhythm, into English poetry, and their technical virtuosity and glittering whimsy gave way, in later works, to a new solemnity.

Unfortunately, Elizabeth Salter's and Allanah Harper's "Fire of the Mind" is too poorly organized to demonstrate the range and development of Dame Edith's talent. Since the excerpts from her work are not arranged chronologically — in fact, are

Solution to Friday's Puzzle

CUFF	PDRIFT	BRIE
AXE	PDRIFT	LDRD
MOON	SCOREBOARD	REND
PRODUCED	TENDS	REAR
APPRISE	MARIMBA	ETAL
BALSA	MARC	EOAN
ETAL	THELIKE	RIOD
ARNO	INIT	STERE
WISUSED	ACTIONS	WISUSED
TORSO	HERR	HERR
PAUDIA	OVERALLS	PAUDIA
GORPRIZES	DEUT	GORPRIZES
ODINA	CREST	ESNE
CLEW	HASTY	SSGT

Michiko Kakutani is on the staff of The New York Times.

CHESS

NICK DeFirmian, an international master, and John Watson tied for first in the 17th annual American Open Tournament in Los Angeles with scores of 7-1. Each was awarded \$1,250.

Walter Browne and James Tarjan, American grandmasters; Igor Ivanov, an international master and Russian emigre living in Canada, and Dan Durman tied for third place with 6½-1½ in the eight-round Swiss-system competition.

Of theoretical importance for devotees of the Queen's Indian Defense was the seventh-round encounter between Browne and Ivars Dahlberg, in which the soundness of a currently popular gambit was re-argued.

One of the objectives of 4 P-QR3 is to make Black transpose into a Queen's Gambit after 4...B-N2; 5 N-B3, P-Q4; 6 PxP, PxP; 7 B-B4 or 7 P-K3. However, Black can aim for more dynamic play, as Browne did, with 4...P-B4; 5 P-Q5, creating a Bonna

After 5...B-N2; 6 Q-B2, PxP; 7 PxP, B-N2 (the immediate 7...Np2; 8 Q-K4 costs Black his knight); 8 P-K2, Q-K2, it is known that White is offering a gambit, since he cannot simultaneously guard his KP and QP. The point is that on 9 B-Q3, NxP; 10 O-O, N-B2; 11 N-B3, the completion of Black's development will be

With 25 P-QR4, Dahlberg intended to continue with 26 P-R5 to open the black king position, but Browne's pro

duced a powerful liquidation wit

25...P-Q4; 26 BxP, QxP; 27 QxP, True, Brown

had given back his

Stenmark Sets World Cup Record With Victory in Giant Slalom Race

From Agency Dispatches

MORZINE-AVORIAZ, France — Ingemar Stenmark set a record for World Cup skiing victories Saturday by winning a giant slalom here. It was the 63rd triumph of his career and his first victory of the current season.

Stenmark's last triumph came on Feb. 14, 1981, when he tied Annemarie Moser-Proell's mark of 62 by winning a giant slalom race in Arc, Sweden. Between them and Saturday he had not won in 11 outings.

In Saturday's race Stenmark edged last year's overall World Cup winner, Phil Mahre. Stenmark was faster than Mahre on both runs, but was beaten down the second run by Marc Girardet of Luxembourg, who finished the day third place.

"It was important for me to win," said the 25-year-old veteran. "I am trying to win the giant slalom."

Stenmark has dominated slalom and giant slalom World Cup championships but my main goal is Schladming," he added, referring to the World Alpine Skiing Championships, which begin in Austria Jan. 27.

As the runner-up, Mahre easily retained his No. 1 slot in the overall standings with 155 points. He was followed by Stenmark with 84 and Joel Gaspar of Switzerland with 62.

Mahre said he made a few mistakes on a course that he considered too direct.

"I didn't feel I was skiing as well as I did before Christmas," he said. "but everybody has those days. Some places were really good on the course, but I made one real big mistake and two smaller mistakes. I was low on one of the gates at the top and later I crossed my tips and had trouble with the sixth gate from the finish."

"There was a lot of distance be-

tween the gates. The course went straight down hill. It was not really a giant slalom."

Stenmark's first cup victory was in December, 1974, when, at 18, he won a slalom race in Italy. He won four more races that winter and finished the season in second place behind Gustavo Thoeni in the overall standings.

Stenmark has dominated slalom and giant slalom ever since, winning the overall World Cup championship in 1976, 1977 and 1978 and taking two gold medals at the 1976 World Championships and again in the 1980 Olympics.

Uneasy with a circuit so dominated by one skier, World Cup officials went through a series of alterations in the scoring rules. They also began to award combined points to encourage an "all-round" skier — one who is competent in all three disciplines: slalom, giant slalom and downhill.

Stenmark, who does not race downhill, consequently dropped from the top spot in the overall standings while retaining mastery in his specialties.

Women's Race Canceled

FRONTEN, West Germany (AP) — A women's giant slalom race was canceled here Saturday because of gale-force winds and rain, the organizers announced.

WORLD GIANT SLALOM

1. Ingemar Stenmark, Sweden, 2:34.04.
2. Phil Mahre, U.S., 2:42.57.
3. Annemarie Moser-Proell, Austria, 2:55.88.
4. Alexander Zhivov, Soviet Union, 2:55.97.
5. Hubert Stratz, Austria, 2:56.49.
6. Thorsten Johansson, Sweden, 2:56.61.
7. Andrei Lomakin, France, 2:56.73.
8. Antti Koski, Finland, 2:56.84.
9. Gerhard Joeser, Austria, 2:56.94.
10. Jean-Luc Fourcade, Switzerland, 2:57.07.
11. Hans-Joachim Klemm, West Germany, 2:57.25.
12. Max Guler, Switzerland, 2:57.40.
13. Poul-Arbe Stolesen, Norway, 2:57.47.
14. Valery Tseytlin, Soviet Union, 2:57.48.

WORLD CUP STANDINGS

1. Phil Mahre, 155 Points.
2. Stenmark, 84.
3. Gaspar, 62.
4. Andreas Wenzel, Lichtenstein, 54.
5. Poul-Arbe Stolesen, Norway, 52.
6. Steve Mahre, Canada, 47.
7. Girardet, 43.
8. Mahre, 42.
9. Zinnow, 38.
10. Thorsten Johansson, Sweden, 34.
11. Ingemar Stenmark, Austria, and Franz Klemm, Austria, 34.

Ingemar Stenmark en route to the record

... It was important for me to win.

A President-Turned-Author Tests the Waters

By Angus Phillips

Washington Post Service

WASHINGTON — Jimmy Carter has published his first written work since leaving the White House a year ago, and it wasn't a weighty tome or something for The Nation or The New Republic.

Carter's "Spruce Creek Diary," reminiscing about a successful fishing trip to Pennsylvania last spring, is tucked away without fanfare in the January-February issue of Fly Fisherman magazine, which was published last week.

The low-key, 4,000-word essay recounts his and wife Rosalynn's one-week visit to Wayne Harpster's farm near State College, a foray capped by the former president's capture and release of a 17-inch brown trout. He also said he had netted and released a number of others. (U.S. fly fishermen rarely kill trout, preferring to return them to the water and sustain the sport.)

Just Happened That Way

Carter, in a telephone interview from his home in Plains, Ga., said there was no particular significance in the fact that his first postpresidential musings were on fishing. "It just kind of happened that way," he said, adding that he still is working on a book of political memoirs.

He said he rediscovered fly fishing during his tenure as president, having made his first experiments in Atlanta's Chattahoochee River when he was governor of Georgia. He began fly fishing again at Hunting Creek near Camp David, Md., and then moved on to more fertile Pennsylvania waters just before the Bicentennial summit meetings.

"I kind of live and breathe fly fishing," he said, adding that it and woodworking are his two hobbies. "When we went to Spruce Creek," Carter said, "I took notes for what I figured to be a chapter in a book on fishing" that he plans to write some day.

He finished the chapter last June and got the inspiration to send it along to Fly Fisherman. He called publisher Don Zahner. "He was enthusiastic," Carter said.

The article is notable for its lack of politics. Carter said he intended it that way and that the only editing Zahner did was to remove one vaguely political reference.

Final-Night Thoughts

Carter wrote that two prized, hand-made fly rods were stolen from his baggage in the move from Washington to Plains, confirming that their loss — not the loss of the presidency — seemed to be the more serious to all of us as we discussed important matters by the tumbling waters of the Pennsylvania creek.

Zahner changed the mention of the presidency to "the election campaign," which he considered less political. Other than that, Carter said, the article ran as written.

As an outdoors story it covers all bases, including an explanation of how Spruce Creek came to be an extraordinary fishing hole (careful farming in adjoining fields). Carter's easygoing style works well in de-

scribing the gentle, green landscape and the dainty skipping tactics of trout on the feed.

His hosts included some of the top Pennsylvania fly fishermen, who are among the best in the nation, and Carter shows them considerable respect.

He concludes with a description of his final night at Spruce Creek:

"That night Rosalynn and I talked about how Wayne [and the rest of the party] all seemed very close to us, part of a large but close-knit fraternity of sportsmen who love God's world with its changing faces and seasons and want to preserve its beauty and its challenge and its excitement.

"After my week-on Spruce Creek, I could see very clearly how far I still have to go to realize one of my goals in life: to become a good fly fisherman. But I look forward to the challenge — and to the excitement it brings."

Carter said he and his wife ride bicycles out to fly fish in the brook and back ponds in Plains two or three evenings a week in the season, and have four or five major fishing excursions planned for this spring.

One of them, he expects, will be a return to Spruce Creek.



Jimmy Carter
... I kind of live and breathe fly fishing.

New Zealand Wins World Cup Berth

From Agency Dispatches

SINGAPORE — New Zealand defeated China, 2-1, in the Asia/Oceania playoff here Sunday and claimed the 24th and final place in next summer's World Cup soccer tournament in Spain. It was the first time New Zealand has ever gained the cup finals.

The taller, heavier Kiwis dominated throughout. Steve Woodin scored from a sharp angle with the match 24 minutes old to give New Zealand a 1-0 halftime lead. The winning margin came two minutes into the second half, when Wynton Rufer tallied on a shot of more than 20 meters (about 65 feet). Huang Xianglong scored the losers' goal in the 76th minute of the second half.

The New Zealanders had staged a remarkable recovery to take part in Sunday's match. They needed to — and did — beat Saudi Arabia by five goals in Riyadh last month to force the playoff. New Zealand will join four other newcomers in the cup finals: Kuwait, winners of the Asia/Oceania section, African qualifiers Algeria and Cameroon and Honduras.

O'Brien added that the fine was payable no later than Jan. 31 and warned Sterling that his future actions would be closely watched.

Sterling, who purchased the 9-24 Clippers last June, said that he was only talking tongue-in-cheek at the luncheon. He had ordered three separate rounds of drinks for members of the news media — asking the waiter to serve the most expensive drinks in the house on the last call.

"I respect the NBA," he said. "I'm disappointed that they misunderstood me. If anyone at the luncheon misunderstood me, I regret it."

But he added: "I'm going to appeal the decision."

Clippers' Owner Is Clipped \$10,000 For Sounding Like a Satisfied Loser

From Agency Dispatches

NEW YORK — Donald T. Sterling, owner of the San Diego Clipper basketball team, was fined \$10,000 after he was quoted as having told newsmen at a luncheon last Thursday: "Our plan is to get the No. 1 draft choice.... We must end last to draw first to get a franchise.... I guarantee you that we will have the first or second or third pick in the draft."

The National Basketball Association conducted a swift investigation, interviewing newsmen present at the luncheon and monitoring a tape of the proceedings.

Satisfied the Clipper owner had not been misquoted, NBA Commissioner Larry O'Brien told Sterling in a letter Friday:

"I am advised that you did not intend to suggest that the Clippers would ever act in any other way and that you regret having made your public statements. However, even though I

the taller, heavier Kiwis dominated throughout. Steve Woodin scored from a sharp angle with the match 24 minutes old to give New Zealand a 1-0 halftime lead. The winning margin came two minutes into the second half, when Wynton Rufer tallied on a shot of more than 20 meters (about 65 feet). Huang Xianglong scored the losers' goal in the 76th minute of the second half.

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**More Sports
On Page 13**



Ken Anderson
... The best pure forward passer the game has seen for many years.

Bengals Win Super Bowl Slot

United Press International

CINCINNATI — The Cincinnati Bengals Sunday afternoon survived the second coldest National Football League playoff game ever and earned the first Super Bowl berth in their 14-year history, using a red-hot performance by quarterback Ken Anderson to chill the San Diego Chargers 27-7 in the American Conference championship game.

The game, which began with the temperature at 9 F below zero and a wind-chill factor of minus 54 F, was nearly postponed by NFL Commissioner Pete Rozelle. Rozelle gave the go-ahead to play from his New York office 75 minutes before the start.

Cincinnati, which won the AFC Central title at 12-4 and defeated Buffalo in the opening round of the playoffs last week, will face the winner of Sunday's Dallas-San Francisco National Conference title game in the Super Bowl on Jan. 24 at Pontiac, Mich.

The only game in NFL history played in colder weather was Dec. 31, 1967, when Green Bay defeated Dallas in the famous "Ice Bowl" at Green Bay.

Anderson, the AFC player of the year this season and the top-rated quarterback in the league, was the best player on the field in the Super Bowl.

Called by San Francisco Coach Bill Walsh "the best pure forward passer the game has seen for many years," Anderson set up field goals of 31 and 38 yards by Jim Breech,

threw touchdown passes of eight yards to M.L. Harris and three yards to Doell Bass and set up Pete Johnson's 1-yard scoring plunge to send the Bengals on their way to the Super Bowl.

Anderson completed 14-of-12 passes for 161 yards and two touchdowns and Johnson rushed for 79 yards on 21 carries.

Early Lead

The Bengals took a 10-0 lead in the first period, led 17-7 at halftime and then dominated the second half to send the Chargers to their 14th straight loss.

The game matched the top two offenses in the league. San Diego, which led the league in total offense last year, was held to 15 yards by Cincinnati's defense.

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tackles by Rick Razzano and Bass recovered for Cincinnati at San Diego's 12.

Alexander pounded for four yards to the 8 and Anderson then hit backup tight end Harris alone deep in the end zone for a 10-0 lead 7:54 into the game.

The Chargers came back and marched to the Bengals' 19, but Bob Benincasa's 37-yard field goal attempt into the wind wasn't even close.

San Diego got its first touchdown early in the second period, moving 55 yards in six plays, capped by Fouts' 33-yard screen pass to Winslow for a touchdown 1:26 into the period.

But the Bengals got that score right back less than four minutes later. With Anderson picking apart the porous San Diego secondary, Cincinnati went 55 yards in seven plays after David Verter's 45-yard kickoff return to the Bengals' 45.

In Succession

Anderson hit Ross for nine yards and Collinsworth for 15 and 12 yards on three successive plays. Two plays later, Anderson threw 15 yards to Isaac Curtis to 1 and Johnson barged over on the next play for a 17-7 lead.

Fouts took the Chargers into scoring position twice more before the half ended, but was stopped both times by interceptions.

Louis Breeden, who returned an interception of a Fouts pass 102 yards for a touchdown in Cincinnati's 40-17 victory during the regular season, picked one off at the 3 after the Chargers had moved to the Bengals' 32.

On the next series, San Diego moved to Cincinnati's 21 before Bobby Kemp intercepted Fouts' first-down pass in the end zone and returned it 24 yards to the 19.

Near the end of the game, the crowd of 46,302 which braved the arctic conditions at Riverfront Stadium began showering confetti and shredded paper on the field in the final two minutes.

When the game ended, Cincinnati players lifted Coach Forrest Gregg on their shoulders and carried him to the center of the field.

Bass' Role

Fouts hit on 15-of-21 passes for 185 yards. Chuck Muncie carried 23 times for 94 yards.

After taking the 17-7 lead at the half, Cincinnati got a 38-yard field goal from Breech in the third period to improve its lead to 20-7 and then put the game out of reach with 6:52 to go on Anderson's 3-yard flip to Bass. It was the first pass reception of the year for Bass, who had been injured.

Breech's field goal came after a holding penalty wiped out a 10-yard scoring run by Steve Krueger on a fake field goal attempt.

Cincinnati's clinching drive began on its 32 and was highlighted by Johnson's power running.

Anderson hit Cris Collinsworth for 16 yards and was knocked out of the game temporarily after a run. Backup Jack Thompson came on and completed a 14-yard swing pass to Johnson for a first down at San Diego's 32 and then Johnson and Charles Alexander took turns blasting through San Diego's line to the 3.

Anderson delivered the crushing blow with his short pass to Bass.

The Bengals, who won the opening toss and elected to kick off, scored on their first possession and led 10-0 just 59 seconds later.

Cincinnati took over on its 36 following a 27-yard punt by George Roberts and Anderson threw a 17-yard pass to tight end Dan Ross to help move the ball to the Charger 13.

Breech hit a wind-aided 31-yard field goal 6:55 into the game.

Rookie James Brooks fumbled the next kickoff after a jarring

hit by Dan Fouts.

East Teams Win 2 All-Star Games

Language

A Carrot and a 'Hick'

By William Safire

NEW YORK — Two intrepid phrase detectives have tracked down a couple of the most-wanted phrase origins of the year.

On "a carrot and a stick," David Harris, M.D., of Huntington, N.Y., points to this press conference of May 25, 1943, held by Winston Churchill in the company of Franklin Roosevelt:



"All we can do," said the British leader about the Italian leaders, "is to apply the physical stimuli which we have at our disposal to bring about a change of mind in these recalcitrant persons. Of this you can be sure: We shall continue to operate on the Italian donkey at both ends with a carrot and with a stick."

The Morris Dictionary of Word and Phrase Origins cites that press conference and adds that the phrase could have been used earlier in a Humphrey Bogart movie of 1941 or 1942.

ON "trickle-down economics," which budgeter David Stockman reluctantly agreed to use, leading to a session in the Reagan woodshed, we have this find from David Ranson, an economist with H. C. Wainwright & Co. in Boston. On page 946 of Samuel Eliot Morison's "Oxford History of the American People," this 1932 attack on Herbert Hoover's Reconstruction Finance Corporation appears: "The money was all appropriated for the top, in the hopes it would trickle down to the needy."

The speaker was humorist Will Rogers, and if he had said "truly needy" he would have had a double entendre. I never met a carrot and a stick I didn't like.

SOMETIMES I get the creepy sensation that this column is being graded. I have been receiving mail from some of the giants in the field of linguistics, guys who could chew up Chomsky on the archaeology of underlying structures.

One such is Karl V. Teeter, professor of linguistics at Harvard. What bothers Teeter most are the guesses, bungles, speculations and fancies in which many language shamans like me indulge as we

grope for explanations that the language scientists often do not have. Are these shots in the dark really stars in the back? Is a subjective reach a disservice?

As every asker of rhetorical questions knows, the answer is no. Or at least I think not. For example, in reporting that the Southern pronunciation of "vehicle" — as "vee-HICK-ee" — was growing, I speculated that the U.S. Army field telephonists liked that pronunciation since it was easier to shout. I predicted that the "hick" would triumph because the word sounded "punchier and more authoritative" than vowel-ed "VEE-uh-uh."

Here comes the oew's clerk with the tongs and the Teeter letter.

"You're reaching again. For 'vee-HICK-ee' there is a perfectly good pseudo-derivative in my speech, and I dare say yours, namely vehicular. The word 'vehicule' is quasi-learned vocabulary anyhow, and the 'Southern' pronunciation you cite is easily explained as a back-formation."

"True or not, I object once again," writes the nearest we have to a Mr. Pronunciation in the United States, "to your speculative explanations, which really don't explain. That the pronunciation with the accent on the second syllable 'sounds punchier and more authoritative' sounds like self-biass to me, though it may just be that you're more sensitive at such judgements than I am. As usual, I do not see that subjective impressions, even those of clever people, are any help at all to explain matters of this sort. Furthermore, they are often not needed, for data relevant to an explanation is frequently found in the grammar or structure of the language, as in this case. Same old tune, I know. Cheers."

I think that is a lot of objective fiddle-faddle (a reduplication of "fiddlesticks"). It is not for the likes of me to prescribe an old-fashioned spelling of "judgment" to the denizens of the great academy on the Charles River, but to be faulted for an outsize insight like the Southern usage of "vee-HICK-ee" based on military dissemination is to be wounded to the quick. If I err (pronounced "air" because the "err" in "error" makes the speaker look like a duck), let it be in the cause of pushing beyond the horizons of the linguistic empire's empiricism.

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New York Times Service
